MARCH 28, 1983 $1.50

TIME

THE FALKLANDS
A Melancholy Anniversary

TAX CHEATING
Bad and Getting Worse

0 10090 13
724404

Good taste depends on what you buy, not what you spend.

You can spend a lot to get a coffee with a rich, robust taste and aroma. Or you can have the good taste to buy Master Blend.®

Without coupons or specials Master Blend can save you money every day. It tastes expensive because we start with a delicious blend of costly beans. But our special roasting and grinding process saves us money and we pass the savings along to you.

Master Blend tastes so rich and delicious, you'd probably be willing to pay more for it. But try to get used to paying less.

Master Blend.® It only tastes expensive.

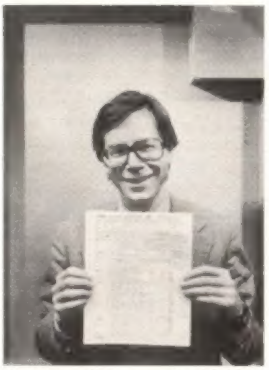
© 1982
General Foods Corporation

GF
GENERAL FOODS

MARCH 28, 1983 Vol. 121 No. 13 **TIME** THE WEEKLY NEWSMAGAZINE

A Letter from the Publisher

Though it was not, of course, a requirement for the assignment, to a man and woman those involved in preparing this week's cover story on the growing problem of tax evasion declare themselves to be meticulous compliers with Internal Revenue Service rules. More surprisingly, and undeniably an asset in their tasks on the project, most also said that they calculated their own taxes, filed their own returns, and struggled valiantly with the quirks and variations of the law. Says Washington Correspondent David Beckwith, who prepares his own forms: "I took two courses in taxation at law school, and I try to keep abreast of major tax developments. Still, I'm one of those fools who overwithholds and gives the Government an interest-free loan of my money. I'm happy though—I got my refund two weeks ago." Los Angeles Reporter Laura Meyers' returns, she says, get ever more complicated: "This year I had to fill out a 1040, a Schedule C for business proprietor, a Schedule G for income averaging and a Schedule D for I can't even remember what. But I find that if I read everything line by line twice through, O.K., maybe three times, I can eventually figure it out."



Zagorin with nemesis: 1040

Chicago Reporter Thomas McCarroll is waiting to file till the last possible moment: "April 15 at 11:58 p.m.," he vows. "I want to keep my money as long as possible." Reporter-Researcher JoAnn Lum, who assisted Senior Writer Otto Friedrich with the cover story, will also delay filing till deadline time: "I hate it," she says, "so I always procrastinate." Another reporter-researcher who worked on the cover story was Sidney Urquhart; she and her husband, with two jobs and six children between them, find the services of an accountant helpful, as does New York Correspondent Adam Zagorin.

Zagorin, who interviewed agents in the city's regional IRS office, tax compliance monitors and criminal tax lawyers, also talked with observers of, and participants in, New York's underground economy. It is an area in which Zagorin thinks he has special expertise: he was assigned for 1½ years to the TIME bureau in Beirut, where tax collection has become highly informal. "Few official taxes are collected in Lebanon even now," reports Zagorin, "only the unofficial taxes demanded by various parties, factions and militias and collected from underground and above-ground enterprises. It is an illegal but organized system." Far more so than in New York City, says Zagorin, noting that it is teeming with underground operators: "Many of them, one must assume, are not reporting their income. Oddly enough, in Manhattan, the street vendors now even surround IRS headquarters."

John a. Meyers

Index

Cover: Illustration by Bohdan Osyczka

26
Cover: Increasing numbers of Americans cheat on their 1040 forms. What was a sickness is now an epidemic. Scofflaws include not only kingpins of the underground economy but "respectable" professionals. *See* NATION.

16
Nation: Jane Byrne throws her hat into the ring—and throws Chicago into a tizzy. ▸ EPA's acting head runs into trouble. ▸ House Democrats put on a counter-budget show. ▸ Reagan's arms-control nominee under attack.

38
The Falklands: One year after the Argentine invasion, the kelpers mourn a somnolent way of life that will never return. British troops outnumber natives, and undetonated land mines pose a constant hazard.

14
American Scene
Oysters are harder to find in Chesapeake Bay, but fishermen have a new harvesting technique: diving down after them.

34
World
In El Salvador, all the talk is about talks. ▸ Another Soviet warning on weapons. ▸ Australia suffers its worst drought.

42
Video
The Thorn Birds, ten hours long and slow as a stunned mullet, is a gum-nut tragedy all the way, but no dinkum specimen.

46
Economy & Business
OPEC rolls back prices for the first time. ▸ Steelworkers buy their plant to save it. ▸ A new contraceptive is easy to use.

53
Medicine
AIDS, the epidemic that strikes gay men, spreads faster. The question: Will it hit the general public—and when?

58
Religion
Liberal Protestants in the U.S. face their worst political attack in years, thanks to a small research institute.

60
Essay
The study of books occupies the center of modern education. But what exactly do teachers of literature teach?

62
Cinema
Monty Python's latest farrago investigates *The Meaning of Life*. ▸ Robert Duvall is a reborn country boy in *Tender Mercies*.

64
Art
A superb show at the National Gallery displays the crowded, vibrant imagery of 17th century Neapolitan painting.

68
Books
The obscure Mexican artist Frida Kahlo was more colorful than her husband Diego Rivera or her lover Leon Trotsky.

74
Computers
Some 1 million Americans now use micros to catalogue everything from fish in the sea to guests at a wedding.

4 Letters
45 Milestones
52 Education
63 People
71 Law
72 Theater

TIME (ISSN 0040-781X) is published weekly at the subscription price of $41 per year, by Time Inc., 3435 Wilshire Blvd., Los Angeles, CA 90010. Principal office: Rockefeller Center, New York, N.Y. 10020. J. Richard Munro, President; Thayer Bigelow, Treasurer; Charles B. Bear, Secretary. Second class postage paid at Los Angeles, CA, and at additional mailing offices. Vol. 121 No 13 © 1983 Time Inc. All rights reserved. Reproduction in whole or in part without written permission is prohibited. TIME and the Red Border Design are protected through trademark registration in the United States and in the foreign countries where TIME magazine circulates. POSTMASTER: Send address changes to TIME, Time & Life Building, 541 N. Fairbanks Court, Chicago, Ill. 60611.

1975

Stop reverse gear wheel altered to simplify adjustment and improve gear selection.

Needle bearing replaces ball bearing on input and output shafts to further improve life expectancy and gear meshing for a quieter operation.

Synchronizer hub with retaining edge on load side for 4th gear added to improve gear selection and wear and tear of both components.

Riveted connection replaces screw connection of gear for final drive to minimize human error and further improve noise level.

2 gaskets replace 1 gasket on clutch control to maintain a better torque and improve sealing.

Transparent PVC foil backing added to front seat to maximize seating comfort.

Interior hood release replaces exterior hood release to reduce the chance of theft or vandalism.

Improved undersealing for better protection against stone damage.

Strap added to spare wheel attachment for the reduction of noise.

Improved wear characteristic for shift forks.

Regulator in automatics now with filter to minimize the chance of blockage or erratic operation of the clutch assembly.

Reduced length of clutch return spring to ease clutch operation and gear selection.

Speedometer drive now in plastic to reduce noise and minimize wear and tear.

Modified transmission breather pipe to minimize the possibility of pressurization and loss of lubricant.

Coil springs fitted with protective sleeves to reduce noise and wear and tear.

Single thrust piece on rack and pinion to minimize free play and improve road feel.

Shocks with noise cage to improve ride comfort.

Brake linings now undercut to minimize brake chatter.

Double labyrinth between drum and anchor plate to minimize water ingress.

Semi-metallic pads for automatics to extend pad life and minimize squeal.

Pad wear indicator to provide operator with a warning signal when replacement of pads is required.

Pedal plate offset to right for a better ergonomic position.

Cable end threaded M7 for weight reduction.

Self-adhesive trim moulding to simplify installation and reduce areas where corrosion could occur first.

Acid resistant bonding agent in paint for greater resistance to industrial contamination.

Car jack in spare tire for greater convenience and less noise.

Second door seal installed for reduction of wind noise and draft.

Door locks mounted from outside to simplify installation, maintenance and repair.

Door trim frames made from aluminum for weight reduction without appearance sacrifice.

Locking below seat discontinued for greater convenience.

Door check straps attached by bolt to simplify maintenance and reduce repair cost. Wider attachment on window fastener to minimize strain on the glass.

Wider air ducts for heater for greater air volume and less friction.

Fuel sending units installed from above to simplify maintenance and reduce repair costs.

Brake switch tabs silver plated to minimize malfunctions due to high resistance.

Fan motor with rear plug connection to simplify repair procedures.

PVC gaskets on taillights to improve seating and reduce ozone damage.

Plenum chamber with rotor pump for a quieter operation.

Improved paint process for better coverage and less caulking.

Horsepower increased to 71 to improve performance and passing capability.

CIS fuel injection introduced for easier starting, better cold start performance and power increase.

Routine oil change eliminated to reduce maintenance cost.

Valve/valve train improved for better combustion and noise reduction.

Brake calipers redesigned to minimize brake squeal.

Longer life for brake pads by changing content of brake pads.

New contour for clutch pedal for easier reach and better and simpler operation.

Shore hardness of the pedal rubber increased to improve wear and tear.

Clamping bolt for shift rod changed to hexagon headed self-locking screw to improve tightening procedure and better gear selection.

Disengageable steering column for easier serviceability and maintenance.

Improved check valve.

Turning circle stroke of steering gear increased to further improve road shock and steering response.

Separate support ring for steering column bearing installed to reduce the possibility of noise.

Pressure resistant A-coating of disc brake pad plate introduced to minimize noise transfer and eliminate brake squeal.

Left-hand thread for brake hose installed to simplify serviceability and maintenance and minimize parts inventory.

Floating caliper frame coated with Plastilube to eliminate brake squeal.

Linear rear coil spring replaces progressive characteristic to improve ride quality and shock absorption.

Wire bow installed between bearing block and rear axle beam to dampen road shock transfer.

Standardized torque converter to reduce parts inventory.

2 M10 bolts replace an M12 bolt for torque support to improve overall rigidity of component.

Down pressure replaces side pressure system in manual transmission to simplify gear selection.

Parking lock pawl enlarged to reduce the chance of breakage if parking position is selected while the vehicle is in motion.

Additional support ring for accelerator cable installed to improve accelerator response.

3 outside discs replace 5 discs on direct and reverse gear clutch.

Improved rear seat folding mechanism for greater convenience and easier operation.

Load sensing brake pressure regulator installed to compensate for load changes and payload increases.

Camshaft drive belt guide introduced to reduce the chance of belt jump.

Fuel return line added to minimize the chance of vapor locks.

Suction line fuel filter to trap dirt particles. Fuel gauge improved to provide more accurate fuel readings.

Improved choke plate to improve cold starts.

Gear selection simplified through a more positive shift pattern.

Improved shift console to protect shift linkage more effectively against dirt ingress.

Acceleration improved.

Jalousie gate installed to protect a shift linkage more effectively against dirt ingress.

Passing light added to give operator a better tool to warn the other driver of his intention to pass.

Fresh air outlets improved for more effective air movement.

Quartz clock added for greater accuracy regardless of voltage fluctuations.

Improved access to rear seat by change of seat cushion contour.

Improved door gasket seal to further improve life expectancy.

New 5-speed gearbox with greater overdrive ratio for better fuel economy.*

New ratio for fourth gear for better fuel economy.*

Compressor belt with reduced elasticity to reduce maintenance and service intervals.

Open flanked belt for CIS with greater flexibility to increase.

Modified screw surface for oil filler cap for better sealing.

Improved clutch plate-dampener unit for a softer, more comfortable clutch function.

Better seal on oil filler cap by using Neoprene to prevent premature deterioration.

Self-priming diesel system to eliminate the need for bleeding of system when engine runs out of fuel.

New diesel filter without hand pump same as above.

Better seal for clutch housing.

Use of studs for head cover to ease maintenance procedures.

Diameter of vacuum tube reduced.

Guide tube for oil dipstick introduced for better guidance when replacing.

Convex piston ring with special lapping to minimize cylinder wear and better maintain oil film.

Inner gear of oil pump hot steam treated by new hardening process.

Injection pressure is increased for greater efficiency and better mixing.

New belt guard (timing belt) to prevent snow buildup.

New check valve with anti-rotation.

Spring CIS for a more positive shutoff.

Modified warm-up regulator for even better cold-start performance.

Improved seat material for better comfort and wear.

Simplified exhaust system for simpler repairs and maintenance.

Idling circuits improved to minimize maintenance and improve performance.

Improved acceleration; temperature controlled accelerator pump volume, improved accelerator nozzle for better cold-start performance.

Reduced air filter maintenance replacement to lower operating cost.

Rear window heated for better rearward visibility in inclement weather.

CV joint lubrication improved; minimizes power transfer noise.

New connection for time clock to lower resistance.

Headlight adjustment now from the front-new federal requirement.

Ground star now attached to instrument panel to guarantee better function of all dash instruments.

Coded connections for side markers for easier maintenance and repair.

Mesh size fuel filter (14 M) for better filtering and longer injection.

Return spring for second stage.

Bracket for front exhaust.

Closer tolerances in CV joints for less noise and longer life.

Quarter panel with wider opening for tie rods.

Ball joint pin increased in diameter.

Deluxe steering wheel added appearance and comfort improvements.

Integrated headrests installed to give the interior a sportier look.

Rubber padding added to accelerator to

Since 1975 a few things

Back in 1975 when we introduced the VW Rabbit, Popular Mechanics hailed it as a "mechanical masterpiece."

And so it was.

But you didn't expect us to rest on our laurels, did you?

Our habit of starting with a revolutionary design and slowly modifying it towards perfection is a Volkswagen tradition dating back to the Beetle.

So eight years after we sold the first Rabbit in America, we astonished the automotive press when we introduced the 1983 Rabbit GTI.

In November, Car and Driver called

improve wear resistance.

Center tunnel tray added to improve storage capabilities.

Chrome plated outside mirror added for appearance and deluxe trim.

Fresh air chamber coated with bituminous dampeners to dampen noise transfer from engine.

Redesigned coil/shock absorber for greater comfort.

Rear suspension redesigned.

Circular ribbing on rear shim added to reduce friction.

Silent block mounted between steering gear and body to reduce road shock noise transfer.

1.6-liter engine replaces 1.45-liter to improve performance.

Radiator enlarged to increase cooling capabilities.

9-inch brake booster replaces 8-inch to increase power assist.

Remote control rear view mirror to allow for easier adjustments and greater convenience.

Glove box lock.

Simplified radiator: reduced number of connections to minimize the chance of coolant loss.

Recovery tank integrated into the radiator to further reduce the number of connections.

Improved hose connection for better sealing. Door, engine lid and hatch seal improved to reduce the chance of water leaks, and air noise.

Resilient seat padding installed for greater comfort and better body support.

Improved door locks for ease of operation. Sound absorbing materials added to improve interior comfort.

Flow-through ventilation improved to increase air volume.

Defogging system improved for better visibility in inclement weather.

Front hood reinforced to help prevent distortion and denting when closing.

Rubber mat in rear trunk installed for better protection of painted surface.

Improved A and C pillar covering.

Adjustable headrests installed to allow for greater comfort depending upon size.

Swivel sun visor to allow for blocking sunlight through side windows.

we changed on the Rabbit.

it, "the car we've all been waiting for."

It has a new 1.8-liter 90 horsepower fuel-injected engine.

It has a new five-speed close ratio manual transmission.

It has new self-adjusting ventilated front disc brakes.

In fact, it's a culmination of over 15,000 things that are new.

It just doesn't look it.

But this too is a Volkswagen tradition:

The more things change, the more they stay the same.

Nothing else is a Volkswagen

Improved door handles to ease door operation.

Window chrome added.

Chrome bumpers added.

Chrome hubcaps added.

Redesigned armrests.

Improved engine mounts to lower noise transmission.

Air gap resistor plug connectors installed for a better spark and easier starting.

Improved radiator fan for better cooling efficiency.

Protective rubber molding added to guard against nicks and dents in parking lots.

Improved temperature switch to control engine operating temperature more accurately.

Improved heat shielding of exhaust system to protect vital components.

Improved belt guard protection from road debris.

Retractor mounting modified glow plug startup time shortened.

Mechanical control replaces vacuum modulation on automatics to improve reliability of gear selection.

Operation of fresh air outlets simplified.

Air tubing improved to increase volume.

Introduced single cylinder hydraulic damper to reduce overall weight.

Displacement increased from 1.5-liter to 1.6-liter to improve performance and simultaneously control emission.

Brake pedal leverage increased.

Simplified speedometer to be in compliance with speed restrictions.

Introduced seat recliner for greater comfort.

Front wall, side panel carpeting added to improve appearance and sound deadening.

Quick release latches on fold-down rear seat to simplify operation for trunk enlargement.

Improved door sill moulding to change appearance.

3-speed air/heat blower for greater comfort. Improved padding on accelerator to lessen wear.

Passenger door contact light switch for courtesy light to provide passenger with the same convenience as driver.

A/C outlets improved for greater efficiency. Improved placement of rear view mirror.

Redesigned tubing connection of condenser to allow for more effective heat dissipation.

Fresh air plenum outlet improved.

Diesel cylinder head modified for better combustion.

New disc brakes installed to increase effective area.

Loctite used for engine bolt mounts.

Redesigned HVAC temperature control.

Self-locking right engine bolt installed.

Diameter of right engine mount increased to further dampen engine noise transfer.

Stronger transmission protection plate to prevent accidental damage of oil pan.

Oil viscosity requirement changed from 20 W40 to 15 W40 to minimize internal friction.

Shift lever bearing socket modified for easier gear selection.

C-clip groove increased by 2MM. Chrome molding around grille for appearance improvement.

Ashtray light.

Sound deadening package installed for a quieter ride.

More fuel efficient engine introduced (1.6 to 1.45 ltr.).

Increased size of air sensor Venturi for better throttle response.

Grooved fuel distribution piston introduced for more accurate fuel distribution.

Fuel accumulator pressure increased for more accurate fuel distribution.

Vacuum reducer installed to improve vacuum capacity.

Pre-stretched alternator belt installed to minimize the chance of slippage.

Modified C-clip groove.

Acceleration improved.

Collar hold-down studs.

Brass seal for diesel injection pump to prevent high pressure seepage.

Delivery valve torque increased for better performance.

Voltage regulator improved for greater reliability and better control.

Redesigned tubing connection.

Rear package shelf carpeted for appearance improvement.

Added inside day/night rear view mirror for creature comforts.

Horn mechanism improved.

Modified gear shift knob.

Modified fuel injector pressure.

Improved atomizing of fuel.

Added two coat hooks.

Tinted glass standard for creature comforts.

Vanity mirror added for creature comforts.

Heat shielding on exhaust system improved.

Center console.

Front air dam.

Intermittent windshield wiper standard to minimize dry runs of wiper blade.

Glove box light added for greater convenience.

1.7-liter engine introduced for better performance and passing power.

Lightweight pistons added for a more efficient engine operation. Intake and exhaust manifolds modified.

Crankshaft modified to handle the greater engine load more effectively.

Gear ratios improved to better utilize torque increase.

Fixed proportioning valves added.

New reservoir/grommets.

Improved pad friction material.

Introduced 3-way catalyst to more accurately control HC-CO-NOX.

Introduced electronic ignition and oxygen sensor to reduce maintenance, provide cleaner combustion and fewer emissions.

Digital idle stabilizer added to provide steadier engine RPM regardless of engine loads.

Illuminated rear window defroster switch to provide better identification at night.

Improved wiring and electrical system for a more reliable operation.

Child safety locks to help reduce the chance of unintentional opening.

Anodized aluminum bumpers replace steel to reduce weight for greater efficiency.*

Added ventilated rotor front disc brakes.

60 series low profile steel-belted radial performance tires.

14 × 6 light alloy wheels.

90 hp, 1.8-liter engine for more power.

5-speed close ratio gear for rapid passing.

Interior acoustics on diesel models improved for driving comfort.

Bonded windshield to improve window sealing and increase body rigidity.

Front and rear bumpers modified to improve vehicle appearance.

Rear seat knee room increased for more comfort.

Front seat cushion, seat back frame, foam and seat trim modified to optimize seating comfort and increase interior room.

Swivel exhaust added for improved reliability.

Pin-mounted radiator to simplify repair procedures.

Diesel models fuel capacity increased to eleven gallons to extend driving range.

Contoured sport seats with adjustable head restraints standard on GTI model.

Rear window washer/wiper standard on GTI.

Larger 45mm tuned exhaust system introduced on GTI model for improved performance and sportier sound.

Halogen headlights standard on GTI to improve visibility.

Front and rear stabilizer bars added on GTI model. Valving on front struts and rear shocks revised on GTI model to improve performance and handling.

Higher rate front and rear springs on GTI model for sportier handling and performance.

Windshield wipers with air foil on driver's side introduced on GTI to improve wiping action at track speed.

Roof-mounted front passenger assist handle on GTI model.

Special instrumentation on GTI for greater sportscars appeal and comfort.

*EPA est. 26 mpg, 36 est. hwy. (Use "estimated mpg" for comparison. Mileage varies with speed, trip length, weather. Actual highway mileage will probably be less.)

Seatbelts save lives.

© 1983 Volkswagen of America

Rabbit GTI. **$7990.** Mfr's sugg. retail price. Transp., tax, title, dealer prep add'l.

1983

Letters

Defense Costs

To the Editors:

Your analysis of defense spending was welcome [March 7]. It is unfortunate that we have to waste so much of our resources on defense. By using those resources unwisely we will ultimately destroy confidence in our Government.

William G. Smith
Victorville, Calif.

The Franklin Spinneys of this world are the type that President Reagan has asked us to emulate: honest, forthright and fiscally conservative. Yet the Reagan Administration tries to curb Government growth but encourages defense spending. Welfare is deplored, but military and industrial pork barrels are filled to the brim. It does not make sense.

Ross L. Sargent
Visalia, Calif.

Your story on defense spending scared me. How can there be such disparity of opinion in the Pentagon? Someone is not telling the truth. The Department of Defense was created to promote unity among the services. Secretary of Defense Weinberger should tell the armed forces to get with it.

Donald G. Johnson
Bar Hills, Me.

Close by the Pentagon is a memorial to the 56,000 American soldiers who gave their lives in Viet Nam. They were members of the most sophisticated and technically advanced army in the world. Their enemy wore uniforms that looked like pajamas, and shoes made from discarded tires. The Vietnamese carried their firepower on their backs. Their arms, a conglomeration of captured and handmade weapons, held the U.S. at bay for ten years.

Paul M. Sullivan, Viet Nam vet
Selden, N.Y.

If funds for military personnel are cut, who will operate the high-tech weapons systems? The legislators who drew up the defense budget fail to recognize that the military's most valuable asset is its people, not its weapons.

Gregory L. Davies
Ensign, U.S.N.
Athens, Ga.

The examples of defense spending cited in your story lead me to believe that a heftier military budget does not ensure a more effective one.

Cary Brazeman
Atlanta

Franklin Spinney's briefing is frightening. Yet devotees of high technology are absolutely convinced, despite historical evidence, that highly complex weapons will make up for a lack of readiness and a shortage of men and basic matériel.

Austin E. Miller
Springfield, Va.

Franklin Spinney was talking about history, not about our current situation. The day before Spinney made his presentation, the Army Chief of Staff testified that cost overruns have been cut to one-tenth of 1%. In addition, Spinney overlooked the savings that were made in last year's budget by the Armed Services Committee. He ignored the fact that the real cost increases last year and in the years to come were caused by the combined actions of the Budget Committee and the Appropriations Committee, neither of which is known for expertise in arms.

You have given substance and credence to this young man's work, which, while thorough, applies to the 1970s. Spinney did not shed any light on the problems that we face today in getting this country prepared.

Barry Goldwater
U.S. Senator, Arizona
Washington, D.C.

Re TIME's commentary on the Bradley Fighting Vehicle: the Bradley was designed to give the U.S. infantry offensive fighting capabilities in addition to protecting mobility. Its 25-mm gun is not "highly inaccurate" but exceeds rigorous Army standards in all tests to date. The sticker price is not $1.94 million but $1.1 million, and the M113 costs $180,000, not $80,000. What's more, the vehicle's aluminum armor does *not* vaporize, incinerate or form a fireball. The armor is *not* "twice as thick" as the M113's—it measures 1 in., in contrast to 1¾ in. for the M113. Antitank rockets can penetrate steel and aluminum, but aluminum has *no* additional casualty-producing effect.

Robert H. Malott
Chief Executive Officer
FMC Corp.
Chicago

You state that I added $100 million to the defense budget last year by winning approval for a new minesweeper to be built in Wisconsin. I did not put the money in the budget—it was requested by the President and the Pentagon. In fact they asked for *four* mine-countermeasures ships at a cost of $371.6 million. The Senate approved the request, but the House turned it down. Later, the Conference Committee on the Defense Appropriations Bill, a committee on which I sat, approved one of the four requested vessels.

William Proxmire
U.S. Senator, Wisconsin
Washington, D.C.

Green Growth

I disagree with your contention that West Germany has produced a generation, including supporters of the Greens, with little historical perspective [Feb. 28]. To the contrary, German history is one reason why this movement is so strong. Its members know enough about the cold war era not to let it happen again.

Christof Braun
La Jolla, Calif.

As a voter for the Greens, I can say that this movement does not have much to do with romanticism or nationalism. The Greens reject capitalism and the style of living that accompanies it. The West Germans have to change their political attitudes drastically to prevent a "ground zero" on German soil.

Mo Petersen
Hamburg

You find our Greens dangerous romantics. Fifty years ago, Adolf Hitler led our country to believe that security depended on military superiority. From this we got bombed cities and a divided nation. Today the U.S. has more than enough nuclear warheads in our country to annihilate Germany. The Greens are Germany's realists.

Stefan Buckwalter
Butzbach, West Germany

Home Robots

In your article "Here Come the Robots" [March 7], Computer Journalist Carl Helmers stated, "These robots will be perceived as companions, like dogs or cats." Anybody who thinks a robot can be a chum, equal to a dog or a cat, is more a mass of shorted circuits than he is human.

Bill Horner
Fort Leavenworth, Kans.

When a robot can be programmed to unload the dishwasher, then it definitely will sell.

Susan Cameron
Olean, N.Y.

LETTERS TO THE EDITOR should be addressed to TIME, Time & Life Building, Rockefeller Center, New York, N.Y. 10020, and should include the writer's full name, address and home telephone. Letters may be edited for purposes of clarity or space.

1983 FORD EXP

RUSH HOUR RELIEF. FORD EXP.

Rush hour. It's an ugly job, but some car has to do it. For fast relief, we suggest Ford EXP.

We gave it mileage that understands the demands of stop and go traffic.

42 EST HWY (29) EPA EST MPG

For comparison. Your mileage may differ depending on speed, distance and weather. Actual highway mileage and California ratings lower.

We gave it front-wheel drive to help weather the slips and slides of rain or snow.

We gave it four-wheel independent suspension just made for grabbing tight curves and straightening them out.

And we gave it a new sticker price that's hundreds less than last year to help weather the economy.

$6426

Base sticker price excluding title, taxes and destination charges.

Ford EXP. The perfect rush hour remedy. Buy or lease it at your Ford Dealer.

Get it together — Buckle up.

HAVE YOU DRIVEN A FORD...LATELY?

Ford

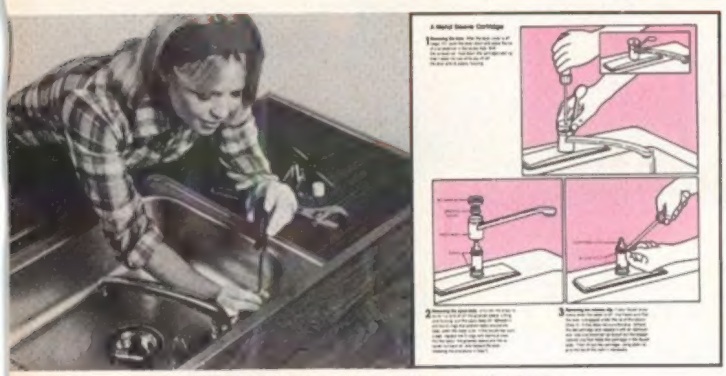
FORD DIVISION

Why just dream about improving your home...

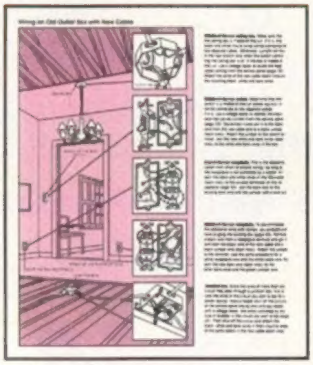
Make your dreams come true! The practical volumes of the HOME REPAIR AND IMPROVEMENT series will help you discover the exciting new home that's hidden in your present house. To get started, *New Living Spaces* will show you how to open things up and transform awkward spaces into graceful living areas. How to convert the attic or an underused attached garage for family living. How to build a deck the easy way. Whatever the project, you'll see every step, from beginning to such finishing touches as laying parquet floor and installing moldings. It's all spelled out clearly and completely so that you'll be able to look back on every job with pride, whatever your experience as a handyman.

See how well it works for you in your own home. Examine *New Living Spaces* for 15 days as our guest. Keep it, and you can go on to collect more of the same sure-handed guidance in succeeding volumes, including *Basic Wiring ... Plumbing... Built-Ins... Working with Wood... Masonry... Outdoor Structures.* In every one you'll learn the pros' shortcuts on renovations, maintenance, repairs. Time-saving, money-saving know-how that will help you enjoy your home more than you ever dreamed. Send for *New Living Spaces* today. There's no obligation to buy anything.

Learn how to re-do it yourself and save!



Repair job? 1-2-3 instructions and diagrams show the way.



New work? You see exactly what you need.

© 1982 Time-Life Books Inc. Time & Life Bldg. Chicago IL 60611

MAIL CARD TODAY OR USE THIS COUPON.

TIME-LIFE BOOKS
Time & Life Building, Chicago, IL 60611

YES! I would like to examine *New Living Spaces* and my free booklet, *The Home Tool Kit.* Please send them to me for 15 days' free examination and enter my subscription to the HOME REPAIR AND IMPROVEMENT series. If I decide to keep *New Living Spaces,* I will pay $9.95 ($11.95 in Canada) plus shipping and handling, and *The Home Tool Kit* is mine to keep at no extra cost. I then will receive future volumes in HOME REPAIR AND IMPROVEMENT, shipped one volume at a time approximately every other month. Each is $9.95 ($11.95 in Canada) plus shipping and handling and comes on the same 15-day free-examination basis. There is no minimum number of books that I must buy, and I may cancel my subscription at any time simply by notifying you. If I do not choose to keep *New Living Spaces,* I will return it and *The Home Tool Kit* within 15 days, my subscription for future volumes will be canceled, and I will be under no further obligation. CDGNRI

Name_____
(Please print)

Address_____ Apt._____

City_____

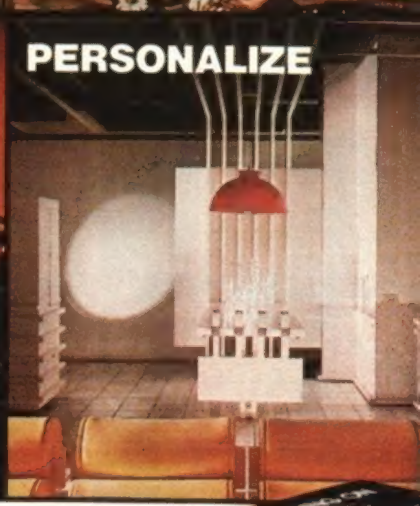
State or Province_____ Zip or Postal Code_____

All orders subject to approval.

Prove it to yourself. Examine NEW LIVING SPACES for 15 days FREE.

TIME LIFE BOOKS

We show you HOME



Big 8¼" x 11¼" volumes. Hardbound.
128-136 pages. Scores of how-to diagrams.
Quick reference charts. Step-by-step instructions.

FREE BONUS

THE HOME TOOL KIT BOOKLET

64 pages of useful information on tools, how to buy and get the most out of them. Free with your first volume.

how to take things into your own hands.

REPAIR AND IMPROVEMENT

In Maryland: Going Deep for Oysters

He was a bold man that first eat an oyster.

Connoisseurs of seafood may take issue with Jonathan Swift; it takes no boldness at all to eat oysters fresh from the waters of the Chesapeake Bay. But going after these oysters requires a bold spirit and a sturdy body. Most of the Chesapeake's watermen, heirs to three centuries of tradition, harvest the bay's oysters by time-honored methods. Some scrape them off the bottom with dredges towed behind graceful, sail-driven skipjacks. Some haul them up with mechanical dredges. Many pluck them off the bottom with unwieldy 18-ft.-long tongs.

KATZ—OUTLINE

Diver Roy Sprague helps Skipper Tucker Brown haul oysters aboard *Frisky*

Now there is a new and increasingly controversial way of bringing up the shellfish. Tucker Brown, 45, and Roy Sprague, 33, along with a growing number of other watermen, harvest oysters in person—by diving for them. While Brown mans the helm of his 46-ft. work boat *Frisky*, Sprague plunges beneath the surface of the bay and sends the oysters topside in a wire basket. "It ain't easy," says the soft-spoken Sprague. "But it sure beats long-tonging."

It also makes some long-tongers angry. Though the divers usually work deeper than the tongmen and thus are not vying for the same oysters, the oldtimers feel threatened by the more efficient newcomers. "They're gonna clean the bay out," claims one long-tonger.

Brown and Sprague acknowledge that their harvests are bigger than the average tongman's. But the fact is that none of the watermen are getting huge hauls these days. Nitrogen, carried into the bay by runoff from neighboring farm lands, has lowered the Chesapeake's oxygen level. The primary victims are the oysters, whose numbers have been declining in recent years. The secondary victims are watermen like Brown, whose family has been working the water for three generations, and Sprague, a Californian who was sent to Maryland as a serviceman and liked it so well that he stayed. "I've seen it good and I've seen it bad," says Brown. "But this is really bad."

It is indeed. Maryland's department of natural resources reports that this year's oyster harvest is one of the worst ever. That is why Brown and Sprague work as often as the weather allows. And that is why they are down at the Dennis Point Marina in rural Drayden at 6 a.m., when both the sky and the St. Marys River are the color of a day-old bruise. "Got to get out there early," says Brown. "Want to get them oysters before they wake up."

Getting out to where the oysters live is relatively simple: a 15-minute cruise brings *Frisky* to a spot over an underwater ledge that Brown and Sprague located the day before. But getting down to the oysters and getting them back to the surface are a bit more complicated. With *Frisky* fast to a buoy, Brown, already bundled against the chill in a sweater, a wool shirt and a quilted vest, suits up for work in rubber boots and oilskins. Sprague strips to his underwear, then wriggles into a bright red neoprene wet suit.

The suit is not Sprague's only protection against the chilly Chesapeake, whose temperature this morning is only a few degrees above freezing. A hose connected to a standard home water heater in *Frisky's* cockpit feeds 100° F water through tubes Sprague has sewn into his suit. The warm water makes Sprague steam like a freshly cooked lobster as he stands at *Frisky's* rail to pull on his gloves and flippers.

Ready for work, Sprague wastes no time talking. As Brown checks the air and water lines to make sure there are no twists or kinks, Sprague dons his face mask and dives into the Chesapeake.

Alone in *Frisky's* roomy cockpit, Brown works quickly. First he sets up the culling board, a 5-ft.-long sheet of galvanized steel that runs, like a ramp, from the top of *Frisky's* engine box to its rail. Then he takes a couple of bushel baskets and places them beside the board. Finally, he takes his position at the rail.

Brown has hardly finished before Sprague tugs twice on the line, signaling his partner to haul in. Following a well-choreographed routine, Brown grabs Sprague's line, reeves it through a block on the arm of a small, gallows-like crane that projects over *Frisky's* starboard side, and gives the end a couple of turns around a winch drum. A few seconds later, he hauls in a galvanized wire crate, dripping bay water and filled with black lumps that resemble pieces of coal.

Brown opens the crate and dumps its contents onto the culling board. Oysters less than 3 in. long go back into the Chesapeake. Oysters carrying "spat," or seed oysters, go back too. Legal-size oysters that are stuck together are separated with a blow or two of a hammer-like tool.

The baskets fill slowly. When the harvesting is good, Brown can get a bushel out of each crate. Today's first crate produces barely half a bushel. Brown gazes at the half-filled basket sadly. "Look at that," he says, holding up an empty shell. "We get a lot like this lately. It sometimes gets discouraging." Still, Brown insists that neither he and Sprague nor the hundred or so other divers working the bay pose any threat to the future of oystering in Maryland's waters. "It's not the fishermen that threaten the oysters," he says. "We'll never catch the last ones the way they let us work. It's the water quality."

The department of natural resources is studying the impact of diving on the oyster population, but is more worried about nitrogen runoff, an infestation of oyster-killing parasites and increasing salinity, which results when dry summers reduce the flow of fresh water. At least a few officials would agree with Brown when he says, "It ain't just the bay that's threatened. It's the watermen. We're getting to be an endangered species."

If Brown faces extinction, though, he is going cheerfully. His round, windburned face split by a smile, he looks

around him as he works, taking note of other boats, gazing at a Canada goose that passes overhead, and chuckling at the bounty that the Chesapeake is capable of bestowing on those who fish it.

When Sprague surfaces at noon, the two have managed to fill eleven baskets with oysters. "Not too bad," says Sprague through the ice that forms quickly on his beard and mustache. "But not too great, either. Be nice if we could get 20 bushels. Some days we get as few as twelve, and that barely pays for our gas."

Breaking for lunch, Brown and Sprague retreat to the wheelhouse to sip coffee from a thermos bottle and eat oysters fresh from the bay. "Can't find anything better than these," says Brown as he dips an oyster into a potent sauce made of vinegar and red and black pepper.

Neither man, however, lingers over lunch. The forecasters have warned of a storm, and the two want to work as long as the weather holds. Sprague, steaming

Sprague shows off his Chesapeake catch

slightly, zips up his suit and slips back into the water. Brown resumes his station.

But the afternoon's harvest is poor. When Sprague surfaces for the last time, there are only 18 baskets on deck. The catch will bring $12 a bushel. But considering the cost of *Frisky's* fuel and upkeep, it will not make Brown and Sprague wealthy men.

Heading back to Drayden, Sprague and Brown admit they are depressed about the way things are going—but not enough to consider doing something else. Fishing, Brown explains, is simply in his blood: "We have a saying around here. 'If a child born in Maryland takes his first steps into the bay, he'll be a waterman.' Parents always say, 'Oh Lord, don't let my boy taste salt water.' "

Sprague smiles as Brown pauses, then turns serious as his partner continues. "I guess I tasted salt water early and liked it," Brown says. "I love it out here. That's why I'll always be a waterman. I don't want to be anything else." —***By Peter Stoler***

A 5-part series that may surprise you

Part II.
Are oil's rewards worth today's risks?

Here's another true/false mini-quiz to ponder

■ In 1981, the 25 leading U.S. oil companies spent $44 billion, up from $33 billion the year before, to try to find and produce oil and natural gas around the world. **That's true.**

■ Two-thirds of those investments were made right here in the United States. **Also true.**

■ But the payout in oil and gas is so great that such huge sums can be risked safely, producing almost surefire big profits. **That's false,** even though a lot of people seem to believe it.

■ The oil industry, despite all its complaining about high taxes, could afford to pay more. **Also false,** and there's a real danger of killing the goose in the quest for more golden eggs

The problem is that risks are greater than they used to be and rewards are smaller. As simple as that

Consider the way the risks have grown:

■ The first production platform built for Mobil and its partners in Norway's North Sea cost $1.4 billion. The second cost $2 billion and the third will cost an estimated $2.1 billion

■ Last October Mobil and its partners spent $866 million to lease 15 tracts in Alaska's Beaufort Sea—with no guarantee that oil or gas would ever be found

■ A new seismic research vessel, the ultimate in technology, cost us $40 million

■ In 1973, Mobil and its partners paid $650 million for permission to drill in the Destin anticline off the Florida coast, but found absolutely nothing.

■ The Baltimore Canyon, off New Jersey, ate up $1.5 billion of the oil industry's money without providing enough natural gas to justify commercial production

■ Economic and political risks are also immense. The time gap between exploring for oil and producing it is often five years or more. Changing economic conditions can erode the profitability of multibillion-dollar projects during this period and after it. We have seen that oil prices can go down as well as up. And oil companies have been powerless against expropriation or high new taxes imposed by foreign governments

What is the reward for a company in such a risky business?

■ Mobil's reward in 1982 was just over 2¢ on each sales dollar. In our best year, 1980, we made less than 4½¢ on the dollar

■ The oil industry's rate of return on the money it invests is no better, and often worse, than those of many less risky industries. Even so, the oil companies have to compete for investment capital against those "safer" industries

Today, with petroleum product prices and profits falling, less capital can be generated by the companies themselves to reinvest in looking for the oil and gas America will need in the future. So they have to compete harder than ever to find people willing to invest.

Business schools traditionally teach that the higher the risk the higher the potential rewards. Unfortunately, it isn't necessarily so

Next: Who pays oil's taxes? You, one way or another

Mobil

© 1983 Mobil Corporation

Mayor Jane Byrne announces that she will run as a write-in candidate, setting the stage for a divisive white *vs.* black election race

Nation

TIME, MARCH 28, 1983

Byrne Butts Back In

Unwilling to take no for an answer, the mayor re-enters Chicago's race

In the days of the all-powerful Democratic machine—that is, for nearly all of the past half-century—Chicago's mayoral elections generated about as much suspense as the drying of paint. No more. When Windy City voters choose a mayor three weeks from now, leaders of the national Democratic Party and black communities all over the country will be watching not just with interest but with more than a tinge of apprehension. The election has turned into a test of how much power blacks can exercise by working within the Democratic Party, their political home since early New Deal days.

The issue, unmistakably, is whether white Democrats will vote in large enough numbers for a black candidate who is carrying their standard. Congressman Harold Washington, 60, won that designation on Feb. 22, when he unexpectedly triumphed in the Democratic primary. He took only 36.3% of the vote, nearly all from blacks who had registered in record numbers. But that was enough, barely, to top two white candidates: Incumbent Mayor Jane Byrne, 48, and State's Attorney Richard M. Daley, 40, son of the mayor who ran the city machine with an iron fist until his death in 1976.

In Chicago, a city where Republicans are so heavily outnumbered that they have captains in only a few hundred of the 2,914 precincts, the primary should have ended the race. But this time the Democratic organization and its official candidate did not exactly hurry to embrace each other. Only half of the 50 ward committeemen endorsed Washington, who declared that he would not "grovel" for their support and pledged during the primary campaign to strip the machine of its muscle, city hall patronage. Park District Superintendent Edmund Kelly went so far as to endorse Republican Candidate Bernard Epton, 61, a millionaire lawyer who had some slim hope of profiting from the dissension to become the first G.O.P. mayor elected since 1927. And then last week Mayor Byrne suddenly upset all the calculations by announcing that she would re-enter the race as a write-in candidate, giving those voters dismayed by Washington's nomination not just a white but a white Democrat to select as an alternative.

St. Patrick's Day politics

It was a startling reversal for Byrne, who had pledged her support to Washington the day after losing to him in the primary and as late as March 1 scoffed that a write-in campaign "couldn't be done." Though there were grim cracks that she had launched a "white-in" campaign, Byrne stoutly insisted that her decision "has nothing to do with race. I'm not running for blacks or whites or the Democratic Party or the Republican Party or any political organization. I'm running for Chicago." In fact, she seems to be running for her political life. Her imperious and erratic performance during four years as mayor so alienated machine and maverick Democrats alike that there is little possibility she will

be nominated for any other office.

It is clear that Byrne's only hope of hanging on is to enlist the many Chicagoans who are reluctant to vote for either a black or a Republican—especially if that Republican, like Epton, is Jewish. Says Don Rose, a Democratic strategist who helped engineer Byrne's election in 1979: "This is purely a racial gambit." Agrees Alderman Martin Oberman, a Byrne critic: "She's thinking that Epton is not catching on, and there are all of those white votes out there to grab."

The issue will not come up very openly. Byrne plans to run mostly "educational" ads to teach her supporters how to cast a write-in ballot. In Illinois this is currently a cumbersome procedure: a voter must first write out the name of the office, then draw a box, then put an X in the box and after all that write in the name of the candidate. Conventional wisdom is that no candidate can inspire many voters to go to all that trouble.

Washington would not be an easy opponent under any circumstances. Though he came across as an arrogant maverick after the primary, more recently he has been campaigning harder in white districts and reaching out to a suspicious business community, presenting himself as a reassuring moderate. (He has been careful to distance himself from the Rev. Jesse Jackson, who campaigned for him in the primary but is widely regarded as a firebrand.) When Byrne got back in the race, Washington promptly denounced her as a sore loser. Says Washington: "When you're struck out, you're out. You don't come back and ask for three more strikes."

In fact, Byrne seems to have done more than Washington could to unify the party hierarchy behind its official nominee. Believing that her candidacy will both fail and leave a legacy of racial bitterness, white Democratic leaders are hastening to disavow any connection with it and some who had been fence-sitting have come out openly for Washington. For example, Dan Rostenkowski, chairman of the House Ways and Means Committee and a major power in Chicago politics, issued a statement branding Byrne "a spoiler" and declaring that Washington "deserves the support of all Democrats."

Nonetheless, politicians are uneasily wary of the power of even an unvoiced racial appeal in Chicago, a city so polarized that two-thirds of its neighborhoods are either 95% white or 95% black. As one national Democratic strategist asks rhetorically: "What do you think is Topic A in all the ethnic bars in Chicago?" With alienated voters, the mild-mannered Epton, who has been disavowing racism, is not lighting any fires. Byrne's candidacy has dimmed whatever slender chance he might have had. Asked last week what he could do to revive his campaign, the Republican wryly replied, "Tomorrow I'm planning an earthquake. I don't know how to arrange a flood."

Byrne's analysis is that Washington will get no more than 500,000 votes, while she will hold the nearly 400,000 that she won in the primary and pick up the great majority of the 350,000 who chose Daley. (Epton by her calculations will get less than 100,000.) Many analysts think her arithmetic is flawed. To begin with, they observe, Washington, who got 84% of the black vote in the primary, should get virtually all of it in the general election. His chances of capturing more than the 6% of the white vote that he won in the primary look bright; many Daley voters were not anti-black but anti-Byrne and, as party loyalists, may now be disposed to vote for Washington. But other political professionals are not ready to count out the incumbent. Says Ted Van Dyk, president of the Center for National Policy, a Democratic think tank in Washington: "Unfortunately, the write-in candidacy will be sufficiently divisive that Jane Byrne stands a good chance of winning."

Washington after hearing of Byrne's plan

Republican Mayoral Candidate Bernard Epton
"Tomorrow I'm planning an earthquake."

If she does win, warns Milton Rakove, a political expert at the University of Illinois, blacks will be so angry that "the city will be ungovernable." Moreover, the effects would be felt far outside Chicago. Blacks across the country would take Harold Washington's defeat as a sign that whites simply will not vote for any black candidate. It would show, asserts the Rev. Joseph Lowery, president of the Southern Christian Leadership Conference, that "there is something wrong with the philosophy of the party. Democrats would have to name themselves the white Democrats. Blacks would see the donkey as a jackass for a long time."

Some black leaders are already talking of running a black candidate in next year's Democratic presidential primaries in order to demonstrate enough clout to have a strong voice in the selection of the nominee and the writing of the party platform. A defeat for Washington in Chicago might intensify this movement, since it would spread the impression that blacks cannot count on white good will to get their point of view accepted. In the general election nobody expects a significant number of blacks to vote for Ronald Reagan or any other Republican, but a what's-the-use-of-voting feeling among blacks could lead many of them to stay home and grievously hurt the chances of the eventual Democratic candidate. At minimum, whether Washington wins or loses, a divisive Chicago election could so damage the party's unity as to hurt its chances of winning Illinois, a crucial swing state in any presidential election.

It may not come to that, of course. The mood of crowds watching the St. Patrick's Day parade in Chicago last week was surprisingly cheerful. Washington, Byrne and Epton all marched, separately. Each drew a mixture of cheers and boos, but even the booing sounded good-natured. Given the latent racial antagonisms Byrne's candidacy could rouse, however, it may seem a long way to the vote on April 12. —*By George J. Church. Reported by Christopher Ogden/Chicago*

Down in the Dumps at EPA

The White House looks for a successor, Congress looks for dirt

When the Administration needed a caretaker for the battered Environmental Protection Agency as it searched for a permanent replacement for departing Administrator Anne Burford, John Hernandez seemed a perfect choice. A water-pollution expert and former dean of engineering at New Mexico State University, Hernandez had distinguished himself as one of the few top EPA officials not caught in the crossfire of charges about sweetheart deals, political manipulation, conflict of interest and mismanagement. Some of his colleagues caustically pointed out that he could credit his clean slate at least in part to his exclusion from the agency's decision-making echelon. "He was lucky to get invited to meetings," said a former EPA official.

But even such a seemingly safe choice for acting administrator has turned into an exploding cigar for the White House. By week's end three House subcommittees and the EPA's inspector general were probing a spate of charges that Hernandez made improper decisions benefiting industry. Reagan aides, who had hoped that Burford's ouster would provide some breathing space and subdue the impression that the Administration has favored polluters, were foiled. Groused one White House official: "Every time we turn around, something is screwed up over there."

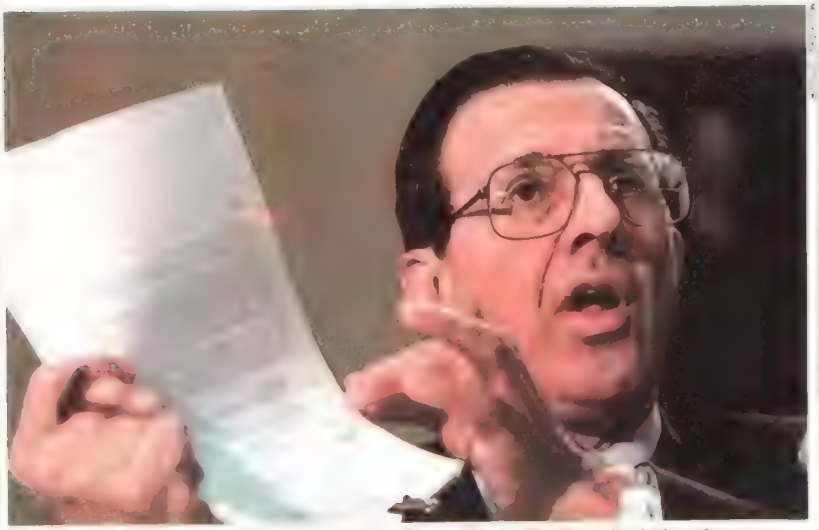
At first, things seemed to be going well. Although his chances were slim, Hernandez began actively campaigning to keep his job, signaling the White House that he could improve the agency's tarnished image. In a sharp contrast to the deep personnel and money cuts supported by Burford, he prepared supplemental budgets seeking more congressional funds. He also dismissed EPA Official Louis Cordia, who two years ago compiled a "hit list" of ideologically suspect agency employees.

At midweek the "fresh start" fizzled. Democratic Congressman James Scheuer, who heads one of the six congressional panels investigating the agency, charged that Hernandez personally intervened to allow Dow Chemical Co. to edit a July 1981 agency report about dioxin contamination of two rivers and a bay near its Midland, Mich., plant. EPA officials agreed to Dow's suggested deletions of critical passages linking the deadly poison to fertility problems and birth defects, as well as the conclusion that "Dow's discharge represented the major source, if not the only source, of [dioxin] contamination" in the waterways.

Testifying before the House Public Works Oversight Subcommittee, Hernandez acknowledged that he urged Valdas Adamkus, head of the EPA's Midwest regional office, to hear Dow out on the report but denied ordering him to let company officials make changes. In a stunning public break with his bosses, however, Adamkus testified on Friday that his staffers had been "forced" by Washington headquarters to strike out the passages. Hernandez was angry that the Midwest office had prepared the report in the first place, Adamkus said, and was "denouncing our report and calling the work of our regional people 'trash.' " Dow was saying little, in part because there is a Justice Department suit pending over the company's refusal to yield technical data about its toxic emissions to the EPA.

Hernandez was also blasted for blocking a voluntary plan by three smelting companies to clean up serious lead contamination in a poor, mostly black area of Dallas. An EPA study had revealed dangerously high lead levels in the blood of neighborhood children. Instead, the EPA simply ordered that residents be given blood tests and be instructed to "plant grass" to control the lead dust and to "keep [their] homes clean." That advice did not satisfy many subcommittee members. Said Hernandez in explanation: "If we went out and started running bulldozers around, we'd end up with even greater hysteria."

Congressional committees continued to stumble over one another last week in their sometimes overzealous efforts to keep "Sewergate" sizzling. Democrats culled EPA documents, looking for a trail of evidence that would lead to the White House. On Thursday the White House, which had long insisted that its files contained no internal reports on the notorious Stringfellow toxic dump in California, admitted that it did have two EPA reports confirming that Burford prepared to announce a grant to clean up Stringfellow last year but changed her mind at the last minute. There have been charges that the Administration delayed the cleanup in an effort to hurt the Senate campaign of Democratic Governor Jerry Brown.



An exploding cigar: Acting EPA Administrator Hernandez on the defensive before Congress

"What we need now is a Mr. Clean, with no ties to industry and no conflicts of interest."

Both Congress and the EPA tried to take advantage of the rising public concern over hazardous wastes. Lawmakers introduced three bills designed to tighten federal control of the poisons and close the loopholes detailed in an alarming new congressional report. The EPA weighed in with its own announcement tightening controls on dioxin and other toxic substances. Compiled during three years by the Congressional Office of Technology Assessment, the new study warns that 255 million to 275 million tons of chemical poisons are being dumped in the U.S. every year, a ton for every person. It estimates that it will cost from $10 billion to $40 billion to clean up the waste.

The charges against Hernandez forced the White House to accelerate its search for a blue-ribbon successor for the top job, a tricky matter since the nominee must be enough of an environmental advocate to withstand congressional scrutiny and yet fit in with the President's more minimalist approach to regulation. The leading contender was William Ruckelshaus, the first EPA administrator under President Nixon and now a senior vice president of Weyerhaeuser, a wood and paper company. But his industry connections may make him suspect to environmentalists. Said Democratic Congressman Edward Markey: "What we clearly need now is a Mr. Clean, with no ties to industry and no conflicts of interest." —*By Maureen Dowd. Reported by Jay Branegan/Washington*

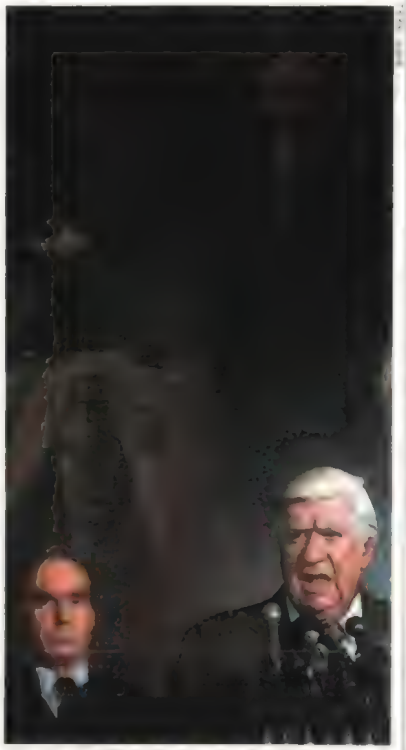
Coming Up: Head-On Collision

The Democrats, all together now, propose an opposition budget

Hoisting high their glasses of Harp Lager, Ronald Reagan and Tip O'Neill hailed St. Patrick's Day at a luncheon in the Speaker's lair on Capitol Hill. But the tableau of bipartisan spirits, which reflected the compromises that have been attained so far on Social Security and a $5 billion jobs program, may be the last symbolic display of unity for a while. Beneath the blarney was brewing what could turn out to be a bloody partisan battle. After the lunch was over, the House Budget Committee passed a plan designed by the Democratic leadership that sets up a showdown over the budget for fiscal 1984, which begins in October.

Two years ago, Reagan won passage of his program for cuts in domestic spending and taxes by rolling over the House leadership with the help of a handful of dissident conservative Democrats. Last year a strained bipartisan budget compromise was reached that left the foundations of the Reagan approach in place. But after the Democrats won 26 additional seats in the November elections, Speaker O'Neill passed the word to fellow Democrats that they would attempt to roll back Reaganomics with a budget plan of their own this year.

To start off the effort, Oklahoma Democrat James Jones, chairman of the Budget Committee, set up a series of briefings during which members filled in questionnaires designed to shape a party consensus. For example, 43% of the Democrats who participated in the poll voted for a 5% real increase in defense funding, and 41% preferred a 3% increase. In response, the leadership fashioned a consensus approach for its budget proposal, calling for 4% more defense spending, far below Reagan's proposal for 10% growth. The Democrats also agreed on a plan to raise $30 billion in new revenues, perhaps by limiting the 10% income tax rate cut due to take effect in July, and to restore funds that have been cut from such domestic programs as child nutrition, food stamps and social services. "We know that behind the smokescreen of voodoo economics is the real need to make tough choices," said O'Neill in announcing the Democrats' version of the budget.



O'Neill with Majority Leader Jim Wright

Despite the committee's approval of the budget package by a straight party vote, the fragile Democratic consensus may break down on the floor of the House: members will have to wrestle with the political problems inherent in hiking taxes and trimming defense funds in the face of presidential opposition. Even if the budget resolution passes the House, the far more contentious decisions over exactly which taxes to raise and which military programs to cut will have to be resolved in the Ways and Means, Appropriations, and Armed Services committees. Nor will the Republican-controlled Senate be an easy sell: despite G.O.P. sentiment to scale back Reagan's defense increases, leaders in the upper chamber bowed to Administration pressure and delayed consideration of the budget until after Easter.

Reagan is unlikely to accept anywhere near the military cuts or tax increases that the Democrats envision, and he plans a forceful public presentation of his case over the next few weeks. Said he on Friday: "The so-called Jones proposal is a declaration of war against the common-sense principles that are now rebuilding America. This partisan Democratic budget is a dagger aimed straight at the heart of America's rebuilding program." Although some uneasy accommodation is eventually possible, the stage now seems set for months of partisan crossfire as a prelude to the 1984 election. ■

No Line of Credit

A close call for the jobs bill

On its face, the action of the freshman Republican Senator from Wisconsin was callously opportunistic. He was endangering passage of a bill that would extend unemployment benefits to jobless workers in 27 states and create an estimated 400,000 jobs. In behalf of the nation's well-heeled banking lobby, he hung an amendment on the jobs bill that would cancel the scheduled July 1 start of the withholding of 10% of income from interest and dividends. This is a reform designed to reduce tax cheating and raise nearly $11 billion in revenue in the next three years. Said Senate Finance Committee Chairman Robert Dole: "This pits the truly needy versus the truly greedy."

At first, it looked as if Senator Robert Kasten would succeed, aided by what Dole angrily termed "the most massive campaign in history to intimidate Congress." The bankers had bombarded legislators with more than 1 million anti-withholding letters, most of them prewritten, preaddressed and with stamps supplied by the banks, apparently enlisting a majority of both houses in the cause. In response, Dole resorted to a filibuster to prevent Kasten's rider from passing.

At one point, Senate Majority Leader Howard Baker drew Kasten into his office for a scolding. Kasten began to weaken, but said he would have to talk strategy with Jesse Helms, the ultraconservative North Carolina Republican. There were Senators who suspected Helms was aiding Kasten just as the fox helped the gingerbread man, *i.e.*, Helms was really out to kill the jobs bill. President Reagan had vowed to veto the bill if the rider reached his desk as part of it.

Senators Dole, Russell Long and Kasten

The pressure mounted on Kasten. The bankers' lobbying was assailed by editorialists from coast to coast. Dole indicted the bankers on national television for "using the big-lie technique. They've been telling people that we're going to loot their savings accounts, pick their pockets, take away their savings."

Dole failed by ten votes to kill Kasten's rider; Kasten failed by only one vote to end Dole's filibuster. The impasse was broken when Kasten succumbed to the heat from Senate Republican leaders and agreed to withdraw his rider, in return for a promise that he could attach it to trade legislation due to come up for action next month. The Senate then quickly passed the jobs bill; the $5.1 billion appropriation must now be reconciled with the $4.9 billion House version. ■

New Procedures For an Old Worry

A directive to close the book on future memoir writers?

Ronald Reagan, who takes pride in his efforts to "get Government off the backs of the people," has been much less vocal about another campaign he has been waging: to get people off the back of Uncle Sam by vastly expanding the amount of information about the Government that cannot be made public.

Since the struggle to plug leaks in Washington is certain to be a losing one, there was no great alarm in the capital when the President on March 11 signed a new National Security Decision Directive. It gave various department and agency heads the right to force lie-detector tests on employees suspected of passing classified information to reporters. The announcement was greeted with puzzlement, since many leaks come from these same officials when it suits their purpose. Last week, on closer scrutiny, the order took on a more ominous hue.

Instigated by National Security Adviser William Clark at Reagan's urging, the directive actually extended long-standing secrecy procedures that formerly applied mainly to employees and officials of the CIA and the National Security Agency. Anyone in any part of the Government who handles "sensitive compartmented information" hereafter will have to submit every speech or manuscript in its entirety to his department head for review. This screening would be required after the employee leaves Government, even throughout his lifetime if his employer so decrees. Said one of the President's close aides: "When I understood the meaning of it, I just couldn't believe it."

While the Justice Department contends that the new procedures apply to only about 1,000 Government officials and employees not previously required to get advance approval of writings and speeches, those now covered include many of the highest officials in the Government, including the White House. Non-Government lawyers who have read the directive find its wording so loose as to be applied, perhaps capriciously, to almost everyone who has some kind of security clearance. This includes thousands of Government workers at all levels.

The new directive could, therefore, create a huge administrative chore for such departments as State, Treasury, Justice and Energy, which do not now have extensive screening procedures. In the past three years some 800 manuscripts have been subjected to CIA scrutiny. This consumes many hours of reading, then often protracted haggling with the authors over deletions or changes. The process can take a year or more.

An Administration official explained last week that the directive was designed to give the Government a simple way to block disclosure without charging offenders with criminal violations of secrecy laws. But critics of the directive regard the restrictions as a potentially dangerous undermining of the ability and willingness of officials to discuss what they learned in Government after they leave it and thus to enlighten public debate on future issues. "This is as close as an American Government has come to implementing an Official Secrets Act," argues Allan Adler, a counsel for the American Civil Liberties Union.

Whatever the dangers to free speech and a richer historical record, the directive is a logical step in Reagan's drive to restrict the revelation of classified information. In 1981 the President sought to amend the Freedom of Information Act to limit the kinds of documents that Government must disclose when formally asked to do so by citizens, and to restrict the requests. When Congress showed no interest in tightening the law, Reagan issued an Executive Order to make it easier for bureaucrats to withhold such documents from disclosure. His order also made it more difficult for the Government to declassify information once someone had stamped a document with any of the various secrecy labels.

There are ironies in the President's latest attempt to put a lid on leaks. When such officials as Secretary of State George Shultz and Defense Secretary Caspar Weinberger sit down to write recollections of their years in Reagan's service, they will apparently have to get their manuscripts approved by some official in a future Administration, possibly even a Democrat. But their boss is not covered. Reagan will be free, as his predecessors have been, to use his currently classified papers as he wishes in writing his memoirs. ■

Bad Option

Reed will go in April

Only a year ago, the Washington gossip was that Thomas Reed, the Special Assistant to the President, would go on to bigger things. A former Secretary of the Air Force under Presidents Ford and Carter, a longtime associate of President Reagan's and a consultant to the National Security Council staff, Reed was thought to have had a good shot at a number of high-level openings down the road. No longer. Reed's troubles go back to 1981, when he made an investment of $3,000 in call options on shares of stock in the Amax mining company. When Standard Oil of California announced the next day that it hoped to buy Amax, Reed's options appreciated to a net value of $427,000. But Reed had spoken with his father, an Amax director, minutes before he purchased the options. The Securities and Exchange Commission began a probe that ended in formal accusations against Reed of illegal "insider trading," charging that he had been tipped off in advance about the impending purchase bid.*

Reed vigorously denied the allegations, but in December 1981 he signed an agreement with the SEC putting his profit in escrow pending the outcome of private litigation; later he promised to donate the funds to charity. In January 1982 his old friend William Clark, President Reagan's National Security Adviser, gave Reed his first consulting assignment.

That appointment now seems questionable. SEC documents obtained by *Common Cause* magazine and the CBS-TV show *60 Minutes* revealed that Government investigators also learned that Reed had backdated the required brokerage forms and signed the names of two other people. Reed says that they and six others were to be the deal's beneficiaries. The U.S. Attorney in New York has launched a "preliminary investigation." A House subcommittee is looking into why Clark appointed Reed to the sensitive NSC assignment, given Reed's problems with the SEC, and a Senate subcommittee is investigating the SEC's handling of the case.

Leaving soon

Reed dismisses the entire flap as politically motivated. He says, "It's the way Washington works. If you can't stand the heat, you should get out of the kitchen." Last week Reed made preparations to do just that. When his current NSC assignment ends next month, he will leave the White House. ■

*A stock call option allows the buyer to purchase a particular stock at a specified price during an agreed-upon interval. Insider trading covers investments based on information not available to the public.

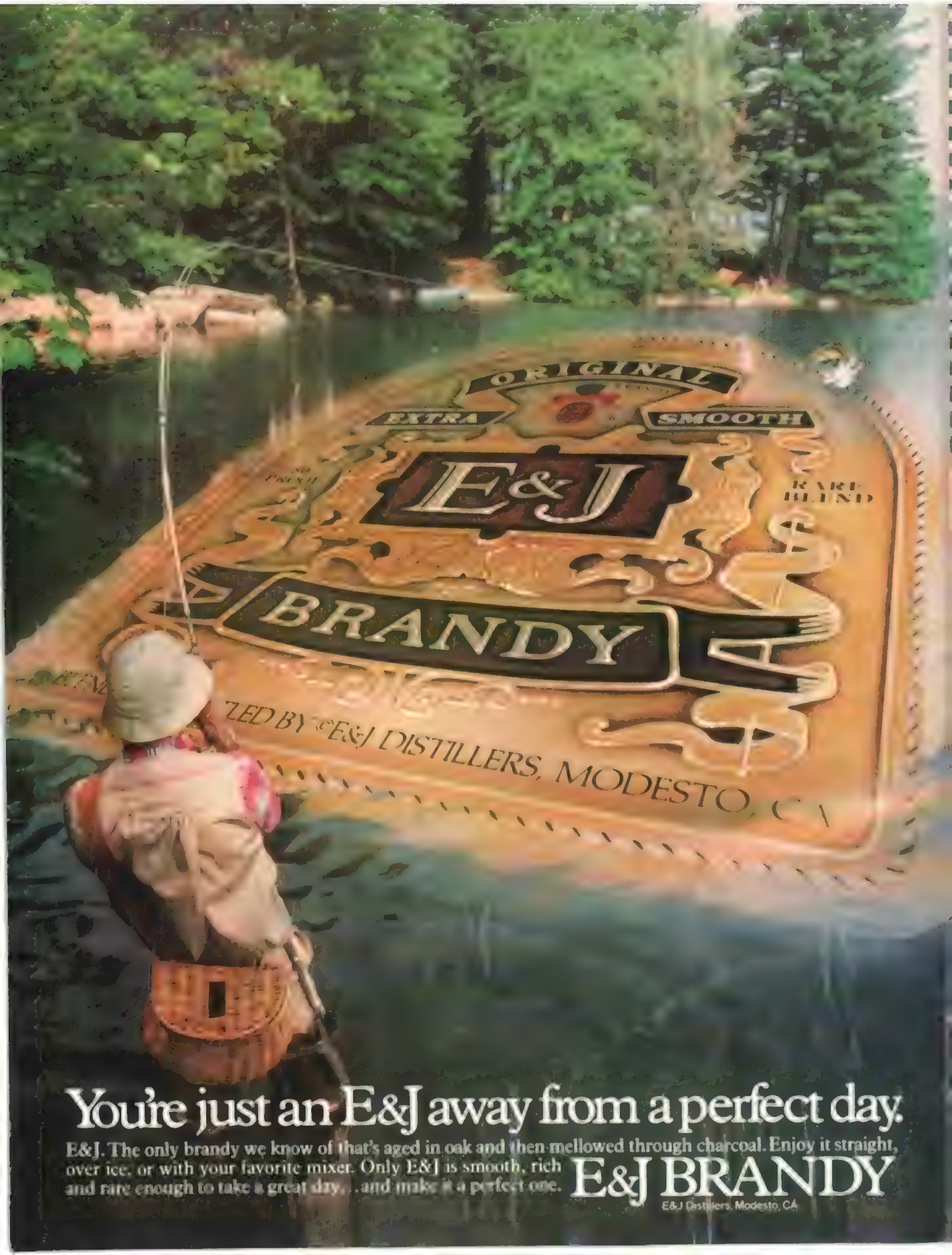
Introducing Season's.™
No cans. No frying. No fooling.

We take a fresh approach to cooking.
Season's is a new restaurant with some uncanny ideas about cooking. We think meals should be prepared. Not opened. So we start out fresh. Every meal. Every day. You get salads made with five different vegetables. And hearty home-style soups and chili that come from recipes instead of cans.

Only our fries are fried.
Deep-fat frying isn't our idea of cooking at Season's. So every entree on our menu is either broiled or baked or grilled. For extra flavor. That's why everything from our Chicken Teriyaki to our cold-water halibut tastes light and delicious. Never greasy.

We give you a lot to smile about.
Generous portions. Pleasant surroundings. Attentive service. And lots of smiles. They all come with your meal at Season's. Because we want your meal to leave you feeling good. Not just full. So whether it's breakfast, lunch, dinner or a snack, why not have your next meal with us? And get a taste of honest-to-goodness good food.

Season's™ Honest-to-goodness good food.®



You're just an E&J away from a perfect day.

E&J. The only brandy we know of that's aged in oak and then mellowed through charcoal. Enjoy it straight, over ice, or with your favorite mixer. Only E&J is smooth, rich and rare enough to take a great day...and make it a perfect one.

E&J BRANDY

E&J Distillers, Modesto, CA

Memo Misfire

A disputed passage of arms

Ronald Reagan's arms control negotiators face an immensely difficult task in trying to push their Soviet counterparts toward an agreement. But a secret memo seen last week by a few Senators suggests that Ambassador Edward Rowny, chief negotiator at the Strategic Arms Reduction Talks in Geneva, may spend nearly as much time suspiciously eyeing his own colleagues as he does watching his adversaries across the table.

The five-page memo contains Rowny's assessment of some 18 members of the START delegation and the Arms Control and Disarmament Agency. Rowny gave it to Kenneth Adelman, President Reagan's controversial choice to be the new director of the agency. The document is just short of a "hit list," expressing sharp criticism and mistrust of almost everyone it mentions.

It contends, for example, that James Goodby, a highly respected career Foreign Service officer and former Ambassador to Finland, who is Rowny's deputy in Geneva, and Jack Mendelsohn, the former ACDA representative on the delegation, are too eager to reach an arms agreement. It complains that Thomas Graham, a veteran ACDA lawyer who helped draft the U.S. proposals now under discussion, is suspect because he has been spending time with aides to Senate Majority Leader Howard Baker. Why that troubles Rowny is puzzling; Graham is in charge of the agency's congressional relations. The memo also suggests that certain members of Congress, including Colorado's Democratic Senator Gary Hart, be kept away from the arms talks in Geneva. Hart, who has frequently visited the negotiations, angrily called for Rowny's dismissal last week: "He's trying to subvert the arms control process," and "has outlived his usefulness."

Rowny, not very plausibly, deflected the blame for the memo to an aide, Samuel Watson, who had drafted it, and contended that it does not reflect his thinking. Under questioning at his Senate confirmation hearings last Feb. 3, Adelman said he had never heard "anyone" in the Administration suggest any kind of housecleaning or purge of the agency.

TIME has learned that Adelman actually discussed the memo with Rowny face to face in January and that Rowny later telephoned Adelman with more comments about personnel. Adelman jotted some notes on the memo, and then sent a copy to his friend J. Robinson West, Assistant Secretary of the Interior, seeking advice on how to manage the arms control agency. Adelman also attached a memo of his own that, says one Senator who has seen it, "has a lot of reflection on what they ought to be doing about personnel."

For its part, the White House was glum and annoyed about these developments, but stood by Adelman. Continuing to stand fast may require cleats: last week the Senate Foreign Relations Committee issued a report contending that Adelman lacks the "stature, experience, knowledge and commitment" for the job. ■

Kenneth Adelman at Senate hearing

The White House got annoyed.

Hinckley's Life

A lawsuit asks for $14 million

Late in March 1981, JoAnn Hinckley drove her son John to the Denver airport and told him not to come home again. A few days later, John Hinckley shot and wounded President Reagan, along with Presidential Press Secretary James Brady, Secret Service Agent Timothy McCarthy and D.C. Police Officer Thomas Delahanty. At the trial last May, Mrs. Hinckley said she threw her son out as part of a plan devised by John's psychiatrist, John Hopper Jr., to force him to be less dependent on his parents. Hopper testified that he did not consider his young patient mentally ill and never thought there was much "cause for concern."

Last week Brady, McCarthy and Delahanty joined in a $14 million suit against Hopper. Filed in U.S. District Court in Denver, it contends that the psychiatrist misdiagnosed Hinckley as having only minor problems and rejected his parents' suggestions that he be institutionalized. They had a dozen sessions in his Evergreen, Colo., office, the final one a month before the shootings. The suit charges that the doctor failed to warn police of "the reasonable likelihood that Hinckley would attempt a political assassination," despite Hinckley's admission that his "mind was on the breaking point." Hinckley, judged innocent by reason of insanity, is confined at a federal mental hospital in Washington.

Paul Smith, a lawyer for the American Psychiatric Association, said that there is a precedent of sorts for such a lawsuit. The Supreme Court of California has held that a psychiatrist can be held liable for the actions of patients where a specific threat could be identified. Says Smith: "A jury would decide whether or not a reasonable psychiatrist would have done more to protect society than this guy did." ■

Belushi's Death

The charge: second degree

One year ago this month on Sunset Boulevard, after a sleepless drug-and-liquor binge, John Belushi was injected with a "speedball," a potent mixture of heroin and cocaine. Early that afternoon the wasted comedian was dead in his hotel bed, and a Hollywood hanger-on named Cathy Smith was in Los Angeles police custody. But Smith, who had been with Belushi all night, was not charged with any crime. Two months later, the tabloid *National Enquirer* reportedly paid her $15,000 for an interview. The paper quoted her (inaccurately, she claims) as saying that she had given Belushi the fatal hypodermic dose.

Last week that disputed admission caught up with her: a Los Angeles grand jury indicted Smith for murder and 13 counts of administering a dangerous drug. On Friday night, Smith, a Canadian citizen, surrendered to police in Toronto. Her extradition battle could keep her in Canada at least until June.

Cathy Smith

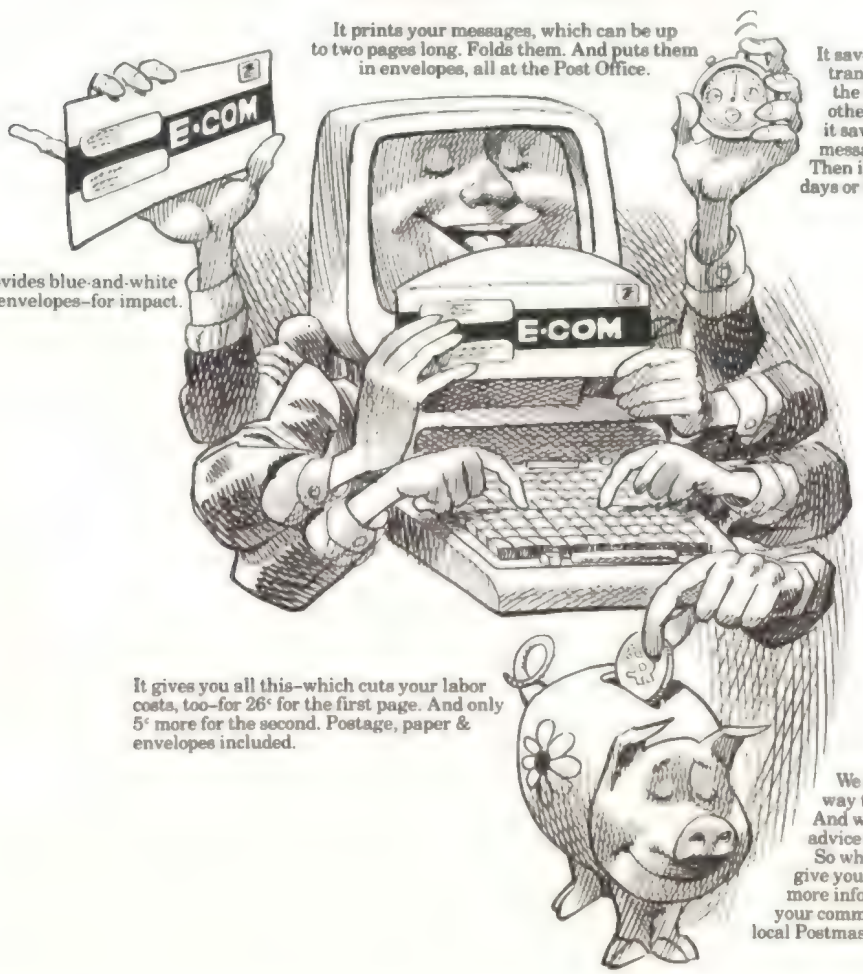
Evidence against Smith, 35, includes the *National Enquirer's* interview tapes and the grand jury testimony of Nelson Lyon, a former writer for the TV show *Saturday Night Live* who apparently has been given immunity from prosecution. Lyon partied with Belushi during the hours before he died. According to people involved in the case, Lyon testified that he saw Smith inject Belushi with drugs.

Nonetheless, with no suggestion that Belushi was drugged against his will, California criminal lawyers believe that the murder case against Smith will be hard to make. But there is a precedent: in 1980 the state court of appeals upheld the second-degree murder conviction of a man who had furnished an unintentionally fatal overdose of heroin to a friend. "California," said Los Angeles Attorney Robert Sheahen, who has represented Smith, "stands virtually alone in making this kind of thing murder." Says Smith: "They're trying to find a scapegoat." ■

LET E-COM "SIGN, SEAL, AND DELIVER" YOUR MAIL FOR LESS THAN YOU'RE SPENDING NOW.

There's a better way to send out computer-originated mail. The Postal Service's E-COM Service. It lets your computer transmit directly to ours. So you can send announcements and invoices, for example, while you bypass a lot of work–and expense.

E-COM Service is a cooperative effort between private sector communication carriers and your Post Office. Here's how it works. Once your system is set up for E-COM Service, your computer operator simply prepares the message. It's then transmitted as data, by telephone or other communication carrier, to any one or more of 25 Serving Post Offices throughout the country. And E-COM Service takes care of all the rest.



It prints your messages, which can be up to two pages long. Folds them. And puts them in envelopes, all at the Post Office.

It saves you time by letting you transmit your message directly to the Post Office by telephone or other communication carrier. And it saves time by printing your message right at the Post Office. Then it delivers your mail in just 2 days or less.

It provides blue-and-white envelopes–for impact.

It gives you all this–which cuts your labor costs, too–for 26¢ for the first page. And only 5¢ more for the second. Postage, paper & envelopes included.

We can help you figure out the best way to link up with E-COM Service. And we can even give you any technical advice you might need.

So why not let new E-COM Service give you a hand with the mail? For more information, simply call or write your communication carrier or your local Postmaster.

E·COM®

IT DELIVERS SAVINGS ALONG WITH THE MAIL.

© USPS 1983

Truman: "I Gave Them an Earful"

An uncovered cache of letters to Bess reveals Harry at his best

Ever since he beheld her curly head in an Independence, Mo., Sunday school one morning in 1890, when he was six and she was five, Harry Truman remained devoted to his beloved Bess. As a young dirt farmer in nearby Grandview, he courted her by mail, weaving words of affection amid tales of work. Over the years his work changed, but the love letters remained a constant, spinning a chronicle of changing times and undying values.

Almost 1,300 such letters have been discovered in the old Truman house in Independence. One batch has been collated by Indiana University Professor Robert Ferrell. It covers the first two years of Truman's courtship, when he described wrestling ornery calves, and the first year of his presidency, when he wrestled with Joseph Stalin and Winston Churchill at the Potsdam conference. The most significant revelation: Truman, contrary to some speculation, was sincere in his effort to get the Soviet Union involved in fighting Japan. Among the nuggets:

Dear Bessie,

Grandview, Jan. 26, 1910

A pumpkin vine phone is a ten party line. When you want to use it you have to take down the receiver and listen while some good sister tells some other good sister, who is not so wise, how to make butter or how to raise chickens or when it is the right time in the moon to plant onion sets or something else equally important . . . if someone would invent a contraption to shut out the other nine when a person wanted to use the tenth he would be richer and more famous than Edison. But he'd be forever unpopular with us farmers for we'd never know each other's business.

Grandview, Feb. 16, 1910

A fellow traded me a horse yesterday. That is he parted me from a hundred dollars and I have a horse. You know horse trading is the cause of the death of truth in America. When you go to buy they'll tell you anything on earth to get your money. You simply have to use your own judgment, if you have any. I haven't much but I think I got my money's worth.

Grandview, May 9, 1911

Speaking of that—calf . . . I have the sincere satisfaction of knowing that he will some day grace a platter—perhaps my very own . . . Calves are like men, some have sense—and some have not. Evidently, he has not as he can never find his meals unless someone is kind enough to assist him. Even then he's ungrateful, as behold what he did to me. I only grabbed his tail and made a wild grab for his ear in order to guide him around properly when he stuck his head between my legs, backed me into the center of the lot, and when I went to get off threw me over his head with a buck and a bawl.

The White House, June 12, 1945

Just two months ago today, I was a reasonably happy and contented Vice President. Maybe you can remember that far back too. But things have changed so much it hardly seems real. I sit here in this old house and work on foreign affairs,

On their wedding day: "Lots & Lots of Love"

read reports, and work on speeches—all the while listening to the ghosts walk up and down the hallway and even right in here in the study. The floors pop and the drapes move back and forth—I can just imagine old Andy and Teddy having an argument over Franklin.

The White House, June 15, 1945

It was nice to talk with you last night. I was so tired and so lonesome I did not know what to do.

The White House, June 19, 1945

Eisenhower's party was a grand success. I pinned a medal on him in the afternoon. He is a nice fellow and a good man. He's done a whale of a job. They are running him for President which is O.K. with me. I'd turn it over to him now if I could.

Berlin, July 18, 1945

The first session was yesterday in one of the Kaiser's palaces . . . Stalin moved to make me the presiding officer as soon as we sat down and Churchill agreed. It makes presiding over the Senate seem tame. The boys say I gave them an earful. I hope so . . . Anyway a start has been made and I've gotten what I came for—Stalin goes to war August 15th with no strings on it. [The Soviets actually declared war on Japan Aug. 8, six days before the surrender.] I'll say that we'll end the war a year sooner now, and think of the kids who won't be killed!

Berlin, July 20, 1945

We had a tough meeting yesterday. I reared up on my hind legs and told 'em where to get off and they got off. I have to make it perfectly plain to them at least once a day that so far as this President is concerned Santa Claus is dead and that my first interest is U.S.A.

Berlin, July 22, 1945

I bought you a Belgian lace luncheon set—the prettiest thing you ever saw. I'm not going to tell you what *it* cost—you'd probably have a receiver appointed for me and officially take over the strong box. But I came out a few dollars to the good in the game of chance on the boat, so it's invested in a luxury for you . . . I seem to have Joe & Winnie talking to themselves and both are being exceedingly careful with me.

Berlin, July 25, 1945

We have a setup for the government of Germany and we hope we are in sight of agreement on reparations. So you see we have not wasted time. There are some things we can't agree to. Russia and Poland have gobbled up a big hunk of Germany and want Britain and us to agree. I have flatly refused. We have unalterably opposed the recognition of police government in the German Axis countries.

Berlin, July 29, 1945

It made me terribly homesick when I talked with you yesterday morning. It seemed as if you were just around the corner, if 6,000 miles can be just around the corner. I spent the day after the call trying to think up reasons why I should bust up the conference and go home.

Berlin, July 31, 1945

I rather think Mr. Stalin is stallin' . . . The whole difficulty is reparations. Of course the Russians are naturally looters and they have been thoroughly looted by the Germans over and over again and you can hardly blame them for their attitude. The thing I have to watch is to keep our skirts clean and make no commitments . . . I'll sure be glad to see you and the White House and be where I can at least go to bed without being watched.

Lots & Lots of Love,
Harry

Come to where the flavor is. Come to Marlboro Country.

Marlboro Red or Longhorn 100's— you get a lot to like.

Kings: 16 mg "tar," 1.0 mg nicotine—100's: 16 mg "tar," 1.1 mg nicotine av. per cigarette, FTC Report Dec.'81

Warning: The Surgeon General Has Determined That Cigarette Smoking Is Dangerous to Your Health.

COVER STORY

Cheating by the Millions

Tax evasion is becoming an epidemic, and honest people are suffering

"We're talking about hard-working people in an honorable profession," says Bernard Moskowitz, an official of the Internal Revenue Service in New York City. Specifically, he is talking about private-duty nurses, who often earn as much as $150 a day, and he has been investigating whether these honorable people pay their income taxes. The results are dismaying. In a sample of 400 nurses, more than 90% failed to report all their income; the average nurse owes $3,500 in back taxes. Says Moskowitz: "Some of the evasion is blatant."

Or consider donations to charity, another honorable activity, which the IRS has been investigating in Southern California. Here, too, the results are dismaying. In an audit of 4,000 California returns that showed large charitable contributions, the vast majority of those filing the returns were found to be cheating. On average, they owed additional taxes of $5,800. "Many of these people report that they are giving over half their income to the church," says IRS District Director William H. Connett. "But these are often mail-order ministries, organized not for religious reasons but for tax evasion."

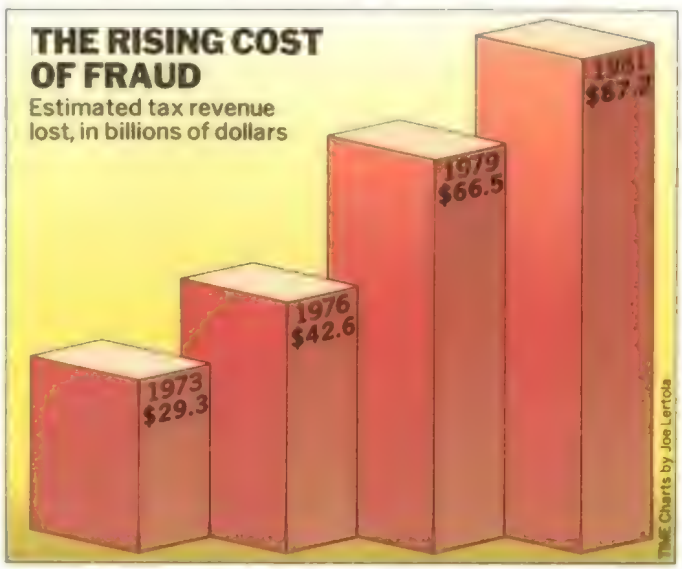
Not only do supposedly respectable people cheat on their taxes—federal, state and local—but supposedly respectable institutions help them do it. "Take someone who has just bought $1,000 worth of clothing," says Connecticut Revenue Commis-

Illustrations for TIME by Guy Billout

sioner Orest Dubno. "The store can ship a necktie somewhere out of state, so it can show a UPS address and receipt, and the buyer avoids the state sales tax. Actions such as these contribute to losses in the hundreds of millions of dollars."

As the dreaded April 15 deadline draws nearer, some 96 million American taxpayers must struggle through the long hours of the night and finally make peace with the exasperating enemy known as Form 1040. Most of them will do their duty and then surrender an average of about $3,300 to the IRS. A large and growing number of Americans, however, will decide to cheat. Indeed, tax evasion is becoming not just a sickness but an epidemic, no longer kept secret but widely admitted, even joked about and accepted.

Out of the estimated $750 billion that U.S. taxpayers are supposed to account for by April 15, the IRS figures, about $100 billion will not be paid. (Of the $650 billion collected, more than half will come from individual income-tax payers, a quarter from employers, and a tenth from corporations.) That "tax gap," the grand total created by Americans who are lying, bilking and inadvertently erring, has risen from $29 billion a decade ago (an increase of 53%, adjusting for inflation), and is expected to hit $120 billion by 1985. Yet the odds on being audited keep dropping, from 2.59% of all taxpayers in 1976 to only 1.55% last year. That means the chances of getting caught are ludicrously small—and the chances of getting prosecuted are smaller still. Though an estimated 50 million returns understate the tax due, only 1,624 people were prosecuted for tax evasion in 1982 and just 917 were sentenced to jail.



"The mind-set of America has changed since World War II," says Roscoe Egger Jr., 62, a former lawyer who has been commissioner of the IRS since 1981. "The concept of civil disobedience, of demonstrations against authority, has people acting in a way that would not have been considered patriotic or acceptable in the past. It accelerated in the Viet Nam War era, and now there is more disregard for the law. It is not as antisocial as it was to evade taxes." The American Institute of Certified Public Accountants, which has an obvious involvement in the problem, is openly alarmed. "Honest taxpayers are bearing an ever increasing burden because of the growing number of citizens who are not paying their full tax," it said in a report issued earlier this year. "If the situation continues to worsen, it could lead to the disruption of our economy and even to a breakdown in society."

Some blame inflation, which has eroded real living standards and cramped the traditional assumption that hard work would pay off in an improving future. Some blame the inflationary phenomenon known as "bracket creep," by which almost every increase in salary, even if it merely keeps one even with the rise in the cost of living, puts the recipient in a higher tax bracket and thus brings a relatively greater increase in taxes owed. These are economic reasons, and tax evasion obviously has major economic roots fed not only by inflation but by recession. Yet tax evasion is also a moral problem, a symptom of the weakened sense of dues owed to country and society, and the spreading sense that anything goes.

In a poll conducted for TIME by Yankelovich, Skelly and White Inc.,* 36% of those questioned believed that cheating on income taxes is becoming more common. More unsettling, 43% found it "acceptable" to barter goods and services without reporting it on the tax forms, and 26% found it acceptable not to report cash payments as income. Other polls reveal an even greater cynicism. In a survey taken in Oregon, one out of four citizens admitted cheating on taxes. In another study, more than half believed that nearly all Americans would cheat if they felt they could get away with it. Yet another survey found that three out of four of those polled would refuse to inform on a serious tax evader if they had evidence to convict him. A slogan spray-painted in red on a bridge spanning Boston's Charles River seems to sum up a growing sentiment: TAXATION IS THEFT!

No society ever paid its taxes happily or escaped arguments over who should pay how much. More than two millenniums ago, Plato wrote in *The Republic* that "when there is an income tax, the just man will pay more and the unjust less on the same amount of income." It used to be a point of pride among most Americans that they acted like Plato's "just man." Throughout the first half of this century, the income tax system that started in 1913 worked well because it worked virtually by itself. Everybody grumbled, but something like 95% or more did their own figuring and then voluntarily paid what they owed. There seemed to be no need for elaborate regulation or extensive surveillance. Cheating on taxes was considered despicable, not much better than robbing the church poor box.

Taxes are, after all, not a choice but a necessity, both the essential duty of citizenship and the lifeblood of the community. Granted that a large share of the taxpayer's tattered dollar goes to pay for myriad blessings that he does not think he wants or needs—whether it be the demothballing of a battleship or subsidies to tobacco growers—the fact remains that taxes do pay for schools and libraries, hospitals and highways, police and prisons, and research into outer space. "Taxes," said Justice Oliver Wendell Holmes Jr., "are what we pay for civilized society."

A lot of people no longer believe that or, if they do, are perfectly content to take a free ride and let others pay the bill. They are the captains and foot-soldiers of the "underground economy," which is now believed to involve up to one-quarter of the work force and about 15% of the G.N.P. It extends from the tanned cocaine kings of Miami to the youth selling jewelry on a San Francisco street corner to the carpenter who will build a kitchen cabinet for less money if paid in cash to the little old lady who babysits for the neighbors. Their only common bond is an unwillingness to pay taxes on their earnings. Yet the tax gap also derives from the lies of business executives and professionals, from all kinds of petty chiseling and expense padding.

"A lot of people might get the impression that tax evasion is all being done by waitresses, street vendors and illegal aliens, but that is simply not true," says James Henry, a management consultant with McKinsey & Co. in New York City. "In fact, it is the white middle class, middle- and upper-income people like doctors, lawyers, the self-employed, landlords, people trading on the stock market, who still account for the lion's share." Tax evaders tend to have other characteristics in common. They are more often male than female, younger rather than older—and above average in education.

Who evades how much? By IRS estimates, the breakdown goes like this:

▸ Unreported income from individual business activities: $26 billion. This in-

*The survey polled 1,008 registered voters from March 1 to 3. The sampling error is plus or minus 3%.

cludes doctors who prefer cash and contractors who work "off the books." Farmers are in a category all by themselves, and their cheating through hidden income is estimated at another $1.4 billion.

▸ Crime: $6 billion to $10 billion. All tax evasion is a crime, but this figure involves activities that are illegal in themselves.* The total has more than tripled in the past decade, largely because of the flourishing drug traffic. Other tax-free operations: gambling, numbers, prostitution. Some critics, who believe the drug profits may be much higher than the IRS says, charge that the IRS calculations ignore such lucrative activities as loan-sharking, arson, counterfeiting, fencing, pornography and trafficking in illegal aliens. One independent estimate of the untaxed profits in these areas: $25 billion.

▸ Unreported capital gains: $9.1 billion. That figure, which has quadrupled in the past decade, includes not just undeclared stock-market transactions but profits from the sale of homes, art, gold, jewelry and livestock.

▸ Unreported dividends and interest: $7.7 billion.

▸ Profits from partnerships and small businesses: $7.2 billion. That estimate is based not only on underreported income but on padded expenses.

▸ Nonfiling of returns: $4.9 billion.

▸ Corporate taxes: $3.9 billion. Though most large corporations are audited annually, firms with less than $1 million in income get checked at a rate of less than 5%, creating opportunities for tax shenanigans.

Bleak as these figures are, the IRS estimates may be too conservative. Peter M. Gutmann, an economics professor at the City University of New York, made an extended analysis of the "underground economy" in 1977 and estimated that undeclared income the previous year had totaled $176 billion, as compared with the IRS figure of around $100 billion. In later studies, Gutmann substantially increased his estimates of unreported income, to $420 billion for 1981.

Most dismaying of all, in a way, is the fact that the IRS claims some $27 billion due in accounts receivable—*e.g.*, money that delinquent taxpayers do not deny they owe but just have not paid. Some cannot pay because of hard times; others simply do not feel like it. That figure, too, is up sharply, from $8.3 billion in 1977.

Why do they do it? The C.P.A. Institute, which devoted two years to a study of the question, offered a list of elements. Among them: high tax rates, plus inflation, can mean a cut in real income, leading people to "reason that their tax burden has risen above their 'fair share.' "

The "increasing complexity" of the tax regulations "can erode public confidence that the tax law is treating everyone fairly." The government's use of the tax law "to motivate or impede certain social activities" further erodes that confidence. Tax incentives, the C.P.A. Institute found, often look like tax loopholes. While lower- and middle-income taxpayers "are harassed over small amounts, insufficient attention is paid to the wealthy." Finally, proliferating government regulations encourage businesses to keep employees off the books.

Beyond the accountants' ken, though, there are less clearly observable reasons. "Greed, gre-e-ed, gre-e-e-e-ed," murmurs Boris Kostelanetz, 71, who was born in Leningrad when it was still St. Petersburg and is now the senior partner of Kostelanetz & Ritholz in Manhattan. He savors his own repetition of the word, but he feels that greed is not always or necessarily the motive. Says he: "Greed means you want to keep money and spend it on yourself. For tax evasion there is something else at work. People who don't file tax returns may be the same kind of people who don't return books to the library, the ones who don't pay traffic tickets. It's a crime of omission, not commission."

Kostelanetz, who has given tax advice to such notable figures as former Vice President Nelson Rockefeller and former Pennsylvania Senator Hugh Scott, cites the case of RCA Board Chairman Anthony Conrad. He had spent 30 years rising through the ranks and was earning a salary of $250,000 when it was disclosed in 1976 that he had not filed an income tax return in five years. Strangely enough, Conrad had paid $684,000 in withholding taxes and always managed company affairs with great prudence. On Kostelanetz's advice, Conrad resigned and retired to Maryland. He has since filed the back returns and paid roughly $30,000. "People don't like to do unpleasant things," Kostelanetz reflects. "Difficult as it is to believe, they may not feel like filling out a tax return, and so they don't."

The everybody-does-it syndrome provides another kind of psychological motivation. "Cheating on taxes is part of social climbing," says L. Jerome Oziel, an associate clinical professor of psychiatry at the University of Southern California who also conducts a private practice in Beverly Hills. "People are ashamed of paying too much in taxes, as if it's a sign of stupidity. It is no longer accepted that good and noble people patriotically pay their taxes. There's a cultural milieu that supports not paying taxes. So people brag about it, as if it were a badge of honor."

The concept of tax shelters is in many ways symptomatic of the whole illness. All of them originated in congressional proposals to use tax laws for economic or social purposes. When Congress wanted to encourage oil exploration, it granted the oil-depletion allowance that originally permitted drillers to write off their first 27½% of profits; when it wanted to encourage ordinary citizens to arrange their own pensions, it authorized Individual Retirement Accounts and Keogh plans, which exempt certain types of savings and investments from taxation. Even the exemption for the interest on home mortgages is a form of tax shelter. All are perfectly legal. Tax avoidance—in contrast to tax evasion—is the term for all such legitimate efforts to keep taxes to a minimum. In the famous dictum of Judge Learned Hand, "Nobody owes any public duty to pay more than the law demands." Many tax shelters, however, pay off only at upper-income levels and can be figured out only by expensive experts.

Some of those experts promote what the IRS calls "abusive" tax shelters, and the agency is investigating nearly 1,000 operators of these complicated schemes. Consider, for example, the master-recording game, in which Mr. A buys a master recording of some song for $100 and sells it to Production Company B for $2,500, and Production Company B sells it to Corporate Promoter C for $250,000. But C pays only $2,500 in cash, the rest in a twelve-year "recourse note," then leases the master record for seven years to various investors for $16,000 each, and . . . have you lost track? The gist of it is that all these investors in the inflated property can pay their share largely with loans, which are later forgotten, and then the total investment can be deducted from the investors' income. The IRS has so far found 5,200 returns that used this ploy during 1979-81, to the tune of $60 million in unpaid taxes.

"Each time the IRS or Congress devel-

*A person submitting a return covering an illegal enterprise is assured that the IRS will not turn him in to other law-enforcement agencies. As a practical matter, however, most criminal operators who file returns list legitimate occupations.

ops a method of slowing or halting some objectionable shelter practice," says IRS Commissioner Egger. "promoters and/or investors find some way around it—essentially jumping over the roadblocks. At first, promoters were only stretching the law, now they're openly breaking it."

Aside from shelters, tax sleuths uncover a remarkable variety of ingenious deceptions. Joseph Siegel, for example, worked as a commodities broker in Chicago and devised a scheme to record phony trades as paper losses, and then sold these records to other investors to use as write-offs. Frank Wittig, a former computer programmer in Minneapolis, allegedly tried the old trick of claiming deductions for which he did not qualify and then filing for an undeserved state-tax refund. After his first return netted him a refund check for $200 in 1978, he got much more active; by 1981 he had filed 177 returns under 73 different names. All in all, the state estimates that he amassed about $130,000. Wittig was charged last month with six counts of filing fraudulent state tax returns.

Tax officials in Southern California believe they are confronting the vanguard of such deceptions. "Many forms of tax evasion—the ideas—seem to start in California and spread elsewhere, just as fads start out here," says Ron Sárányow, chief of the IRS Criminal Investigations Division for the region. One of the local figures who most irritate California tax authorities is Armen Condo, a self-styled "maverick minister" who heads an organization called Your Heritage Protection Association, based in Orange County. With a dues-paying flock of 15,000, Condo took in an estimated $2 million in three years while preaching an unusual gospel: since the U.S. dollar cannot be redeemed in gold or silver, it is therefore corrupt, therefore not "real," and therefore nobody owes any taxes. Finally charged with tax and mail fraud, Condo last June was sentenced to eight years in prison and fined $92,000. He is still free on appeal, but the IRS, which estimates it lost up to $100 million in taxes evaded by his followers, happily reports that the several hundred people who used to attend his weekly meetings shrank to four in the week after his sentencing.

More delicate is the case of Michael Ripinsky, a Los Angeles art dealer, and a couple identified as Mr. and Mrs. Choi. The Chois went to Ripinsky, according to the IRS, because he advertised that his "tax-management, art-investment" firm could provide "tax-free capital gains through the donation of art to charitable organizations." The Chois paid Ripinsky $22,500—the dealer's own fee was $1,350—for a collection of ancient art. The collection consisted of an Egyptian funerary column, which was given to the Los Angeles County Museum of Art, and an Egyptian gold mask, plus 27 other items donated to the Art Museum at the University of California at Santa Barbara. Though the Chois had paid only $22,500, Ripinsky appraised the collection at a tax-deductible value of $94,000. The funerary column was appraised at $25,000. Ripinsky not only requested the museum to list the work as a donation from the Chois but asked it to backdate the 1982 donation to 1981, thus making it deductible for that year. Ripinsky said that his original notification must have been lost in the mails. The Chois then identified themselves as IRS undercover agents. The IRS filed an affidavit in Los Angeles federal court accusing Ripinsky and the two museums of falsifying documents to allow art donors to take fraudulent tax deductions.

Federal income taxes are the biggest problem, but cheating is also increasing on state income taxes, which now total more than $50 billion. A major reason: some states started only last year to correlate federal and local returns to check for discrepancies, and some still do not use computers.

A number of states have started crackdowns. Illinois hired 240 auditors and collectors last year, and increased the penalties for evading taxes from six months in jail and a $500 fine to one year and $1,000 for first-time offenders. It was able to collect $119.5 million in unpaid taxes and identify another $137 million owed. So far this year, it is doing even better, collecting $86 million and finding $78 million more in arrears. After adding 40 auditors to its staff of 90, Kentucky claims they are each discovering more than $800 an hour in delinquent taxes. Of $63 million collected so far, more than 80% came from corporations that had ducked income and sales levies. Says Tax Enforcement Commissioner E. Roe Rogers: "We call it selective auditing, or getting the most bang for our buck."

It is characteristic of even the most blatant tax cheats to offer elaborate justifications for flouting the law; the rationalizations for selfishness are endless. "I have considered carefully the moral issues behind what I'm doing," says a Boston songwriter who will have to be known only as Daniel, "and my philosophy is, Why support a government whose practices I don't believe in? If I use a public service, I pay for it. When I buy gas, I pay the tax. When I drive my car, I pay tolls. And even when I've been below the poverty level, I've given some portion of my money to those who have less than me. I feel charity begins at home."

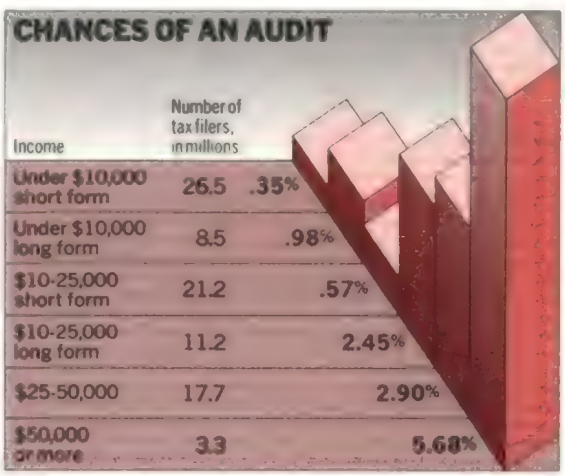
Daniel is a musician mainly in his mind's eye. He earns his living by cleaning houses and offices for about ten clients at $7 to $10 an hour. He says he is "barely making it" on $7,000 a year, and he declares no more than half of that to the IRS , "just enough to discourage an audit." The chance of being arrested does not worry him. Says he: "I'm a little too clever to get caught."

A Houston bar owner named Bill shares Daniel's philosophy of government—probably from the right side of the political spectrum rather than the left—and he has more to be philosophical about. Says he: "Last month I paid myself a salary of $10,500 and gave $4,400 to the government, and I don't think I got $4,400 worth of service for it. I'm not fond of a graduated income tax that penalizes me for doing what I do well. Also, I need the money, and I'd like to keep some."

There are several ways to keep some in the food and liquor business, says Bill. One way is to clear the cash register a few hours before closing time, so that part of the day's sales go unrecorded. Since the state keeps a close watch on liquor sales, it is safer to record the liquor sales and cheat on food. Bill says he knows one owner who grosses $500,000 a year from his nightclub but reports only $100,000 on his tax returns. "Stealing money from the IRS requires that the owners of the business do it," says Bill. "You don't let anyone else but family do it. Otherwise a disgruntled employee can cause a lot of trouble."

Bill decided that the simplest and safest way to keep more of his earnings was to pocket most of the money made from the coin-operated pool and football tables that stand alongside his bar. They provide him about $8,000 a year, free and clear. Bill's self-serving rationale: "I risked everything I had to start this business, and now that the gamble has paid off, the government is benefiting almost as much as I do—so that it can give money to welfare people, or to foreign governments that have no intention of paying it back. Why should I be penalized because I'm successful?"

Rachel sees tax evasion as a matter of survival. She pays taxes on the $14,500 she earns as a bookkeeper in Boston, but not on the $30 a night she makes in tips as a part-time waitress at a seafood restaurant near the waterfront. In 1971, when she was starting out, she reported $1,000 in tips to



the IRS, but more experienced waitresses told her she was being "silly." The only response from the IRS, two years later, was to tell her that she also owed $60 in Social Security taxes on the $1,000, plus a $50 late-payment penalty. Says she: "I accepted the tax. But a penalty? Come on!"

Rachel complained to the IRS about the penalty and got the agency to cancel it. In the course of the talks, she was amazed to hear an IRS employee tell her on the phone, "Frankly, my dear, nobody reports tips." She never did so again. Starting this year, however, restaurant owners who have ten or more full-time employees must withhold 8% of gross sales as an estimated tax on tips, and the result, says Rachel, is "fury."

"Waiters and waitresses who rely on tips for an income have been backed into a corner," she complains. "The money that kept us going is being taken out of our pay, and our employer has in essence become an IRS agent, whether he likes it or not. The fact is, we're the only ones being penalized. Cabbies and hairdressers who receive tips aren't being forced to report their incomes. And when they were originally going to do something about the three-martini lunches, the big guys raised such a fuss that nothing happened."

There are sound reasons for allowing deductions for business lunches. But Rachel's point is pertinent nonetheless: the "three-martini lunch," as President Jimmy Carter called it, adds to the impression that the tax code rewards the well-to-do and those in favored occupations. This perception contributes to the spread of tax evasion. In an interesting experiment at the University of Colorado, a group of students were asked to declare their incomes and pay taxes of about 40%. One-third were told that everyone in the group was supposed to pay 40%, another third were told that the others were paying 65%, the final third were told that the rest owed only 15%. Overall, the group underpaid its taxes by 25%. The worst offenders were those who believed their rates were higher than those of the others: they tried to evade one-third of their tax obligation. By contrast, those who thought they were paying relatively low taxes underestimated their tax bills by only 12%.

"A lot of people don't think it's morally wrong. They think the government is extorting their money to give to families in the slums," says Philip T. Weinstein, a Miami tax attorney. "When they're caught, they don't bother giving explana-

WIDE WORLD | MC COMBE—LIFE | ACME | SYLVIA SALMI | BOB GALELLA

Al Capone | Joe Louis | Charlie Chaplin | Edmund Wilson | Spiro Agnew

Going After the Big Ones

The Internal Revenue Service likes to prosecute celebrities, partly because celebrities often have large financial liabilities and partly because the publicity attendant to skewering the famous helps to spread the warning to humbler citizens. Among the notables accused:

▸ Al Capone, the Caesar of the Chicago gangland, was never convicted of murder, robbery, kidnaping, extortion or even bootlegging. But Treasury agents nailed him for evading payment of $1.2 million in taxes from 1924 to 1929, and the mobster was sentenced to eleven years in federal prison in Atlanta.

▸ George M. Cohan, Broadway's premier showman and songwriter of the World War I era *(Over There, The Yankee Doodle Boy)*, was accused of failing to document a claim of $55,000 in expenses. Cohan won a landmark court victory in 1930, when the judge ruled that his estimated expenses were reasonable for a man in his position. "The Cohan Rule" survived until Congress passed new rules on documentation in 1962.

▸ Joe Louis, heavyweight boxing champion from 1937 to 1949, frittered away most of his $4.6 million earnings, then was hit in 1956 for back taxes, penalties and interest totaling more than $1 million. The IRS was able to collect only a fraction of the amount before quietly abandoning the effort in 1965.

▸ Charlie Chaplin was in trouble with the IRS on and off for more than three decades. In 1959, while living in Switzerland, he finally closed the books by paying $425,000 to settle a claim of $700,000.

▸ Edmund Wilson, the distinguished literary critic, was so unimpressed by his own income (sometimes less than $2,000 per year) that he did not bother to file tax returns from 1946 to 1955; in 1958, he was ordered to pay $35,000 in back taxes and $34,000 in penalties and interest. After Wilson and the IRS settled on $30,000, he achieved literary revenge of a sort by writing an indignant jeremiad: *The Cold War and the Income Tax: A Protest.*

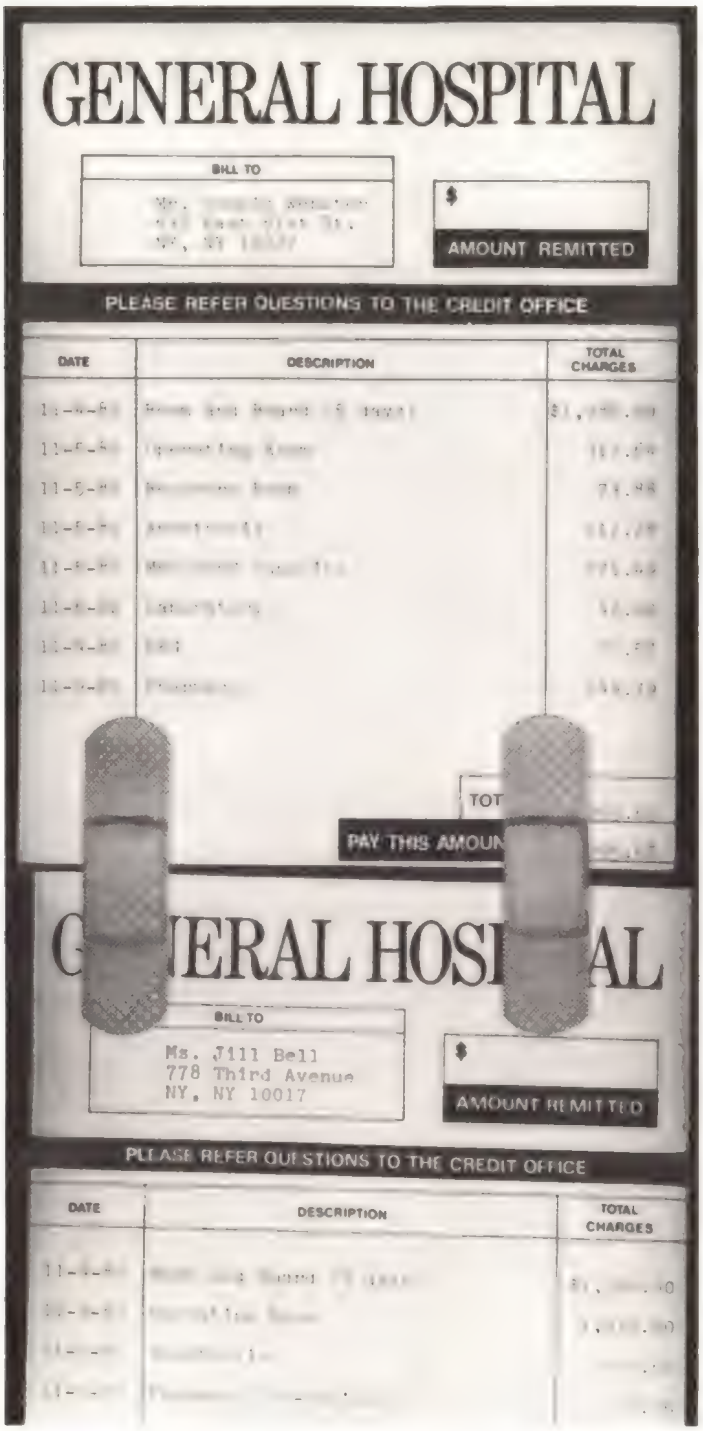
▸ Philippe of the Waldorf (real name: Claudius Philippe), haughty arbiter of who sat where in one of New York City's fanciest hotel dining rooms, was charged with evading $25,000 worth of taxes on tips and kickbacks: one of the first such prosecutions by the IRS. He paid a fine of $10,000.

▸ Norman Mailer, bestselling novelist and social critic, was charged with owing $80,000 in taxes and penalties for 1976 and 1977. When he could not pay, the IRS seized his house in Provincetown, Mass., which was valued at $135,000, and auctioned it off for $65,000.

▸ Spiro Agnew, the nation's 39th Vice President, pleaded no contest in 1973 to charges of evading $13,551 in taxes due on $29,500 that he received from influence-seekers while Governor of Maryland. Agnew paid $10,000 in fines and resigned, the only U.S. Vice President ever to do so while under criminal investigation.

▸ Billy Carter, the good-ole-boy brother of Jimmy Carter, was charged with failing to pay $105,000 in 1978. The IRS seized and sold his home and service station in Plains, Ga.

▸ The Rev. Sun Myung Moon, Korean evangelist and founder of the Unification Church, was sentenced to 18 months in prison and fined $25,000 in 1982 for failing to report personal income of $162,000. Still free while appealing, Moon claims the money belonged to the church and was thus exempt from taxes.



You wouldn't be overjoyed to get part of another patient's bill when you checked out of a hospital. But that's exactly what's happening to private patients.

Here's why. The federal government pays only part of the costs of a Medicare or Medicaid patient. To make up the difference, hospitals shift their unpaid costs to

COST SHIFTING ADDS PART OF SOMEONE ELSE'S BILL TO YOURS. WE HAVE A PLAN TO REMOVE IT

private patients. Even if you have health insurance, you still end up paying more than you should, because cost shifting increases your premiums.

As long as hospitals can shift costs, they have no incentive to cut costs. And they can do it because, unlike most businesses, they set charges only after providing the service.

The Health Insurance Association of America proposes a solution called the prospective payment system. Under this system, hospitals would agree to accept pre-set amounts for services, uniformly applied to all payers. This would end cost shifting. And, if hospitals couldn't shift costs, they would control costs better.

This isn't just a theory; it's working in Maryland, New Jersey, and other states. If every state had this system, cost shifting would vanish. And you wouldn't have part of someone else's bill added to yours.

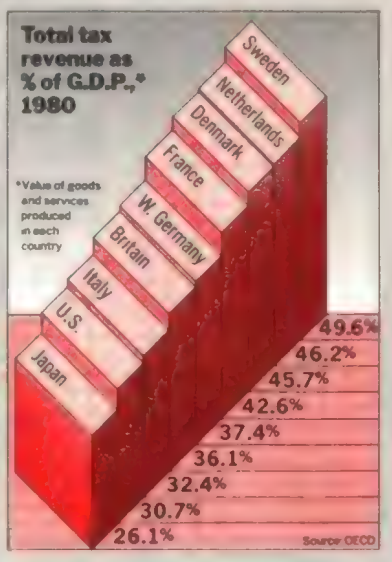
HEALTH INSURANCE ASSOCIATION OF AMERICA

1850 K Street NW, Washington, DC 20006

Dodging Taxes in the Old World

In the lore of tax collecting, there is nothing more enduring than the image of the wily French farmer hiding his earnings in his mattress or the Italian maintaining a separate set of books to deceive the state treasury. The stereotype is at best only partly true. As a percentage of gross domestic product, European taxes are substantially greater than those in the U.S.

A society as diverse as Europe's naturally produces many variations. The payments needed to support Sweden's welfare benefits would strike most Americans as confiscatory—a worker earning $10,800 a year is likely to be hit with taxes of 55%—but compliance is high. In Italy, on the other hand, tax dodging is a national tradition to rival pasta and grand opera. Roughly 20% of Italy's potential taxes go uncollected. While its stockbrokers declare an average annual income of only $6,900, Italy is one of Europe's leading importers of Rolls-Royces and caviar. The unofficial estimate is that 6 million Italian workers, one-third of the labor force, are employed in the underground economy. The latest attempt at a crackdown: a law to make cash registers compulsory in the 800,000 (out of 1.2 million) retail stores that now keep their money in a drawer.



European taxation evolved historically according to different customs. In France, for example, no aristocrats paid any taxes until the Revolution of 1789; it was considered vulgar. Even today there is no tradition of computing one's own tax. That is the responsibility of the neighborhood tax collector, and what he doesn't know won't hurt anyone. Instead of relying on income taxes, French authorities in the '50s introduced the value-added tax, which collects anywhere from 5% to 33% on most commercial transactions. Like any sales tax, it implicitly discriminates against the poor, but the Socialist regime under President François Mitterrand is trying to balance that with special new taxes—on jewelry, yachts and country châteaus—that apply almost exclusively to the rich.

Britain too has a tradition of tax evasion, as King George III saw in 1773, when some of his disrespectful colonial subjects resisted the royal tax collectors by dumping British tea into Boston Harbor. But it has a much stronger tradition of paying the crown what is due. Though rates are high, from an average of 30% to as much as 75%, the opportunity for mischief is limited: more than 90% of all British income taxes are withheld as payroll deductions.

In Germany too an elaborate welfare system that can take up to 60% of an average worker's pay tempts many to cheat. Says a Finance Ministry official: "The imagination of the German taxpayer knows no bounds." One fertile field involves the 2 million foreign workers, who are often paid in cash for construction jobs. All told, the "shadow economy" costs the authorities an estimated $10 billion in unpaid taxes, but the less imaginative Germans dutifully pay far more: $156 billion.

When one compares the major economies, those who pay the least are not the Europeans but the Japanese. Their total tax payments amount to only 26.1% of gross domestic product, and the Japanese resist even those with tenacity and skill. They still maintain a largely cash economy (checks are almost unknown), particularly at the retail level, where Japan has about 100,000 more stores than the U.S.

Japanese tax laws are fairly lenient. Doctors, for example, are allowed to deduct 72% of their incomes, and the first $13,000 invested in postal-savings accounts earn tax-free interest. But whenever the authorities start investigating, they make sad discoveries. An audit of 50 people who had registered new luxury cars worth $40,000 or more, for instance, found that eleven reported having no income at all. Of 116 cram schools that help Tokyo children pass their exams, 109 were discovered to be concealing income. And last week the national Tax Administration Agency said it had audited 24 prosperous Tokyo dentists. Their average concealed income: $225,000.

...ions. They usually just say, 'Get me out of this.' Sometimes, they're not at all sorry. They're just terribly sorry they got caught. But most people don't get caught."

Tax cheaters rarely worry about getting caught. Some figure the odds are overwhelmingly with them. Others think they have a foolproof scheme. And still others delude themselves into thinking they are doing nothing wrong. "When someone gets arrested," says Sheldon Elsen, a prominent New York tax attorney, "it can be an almost unbelievable shock. I've seen people break down completely." Carr Ferguson, a partner in the Wall Street law firm of Davis, Polk and Wardwell, has seen that too. "People only think it's a moral gray area until they've been charged. After that, it can be absolutely devastating."

Against all these evaders, the IRS is wielding an array of new weapons. Last summer's Tax Equity and Fiscal Responsibility Act (TEFRA) empowered it to prosecute tax shelters that it considers "abusive" rather than waiting to check on individual returns that use such shelters. The act authorized the withholding of 10% in taxes on all interest and stock dividends, though the banks have mounted a noisy lobbying campaign to repeal that provision.

Before the IRS can effectively crack down, however, it must strengthen its whole system for checking returns, a process that has belatedly begun. The IRS began automating 20 years ago, and civil libertarians originally expressed considerable concern that the tax authorities planned to establish a vast data bank that would sacrifice everyone's privacy to the demand of Big Brother. In fact, the IRS has had increasing difficulty in keeping up with its paperwork on the six aging IBM computers installed back then at the national processing center in Martinsburg, W. Va. It is replacing them this spring with a new $10 million NAS 90-60 computer made by (guess who?) Hitachi of Japan. That will enable tax agents to match bank statements and other reports of income (from employers, brokerage houses, companies paying dividends, real estate registrars) with the returns of individual taxpayers.

At the local level, the IRS will finish in May the installation of Sperry Univac 1100/82 computers in its twelve centers. These will make it possible for local agents to get information out of Martinsburg overnight instead of in the three to six weeks that have been required until now.

One of the IRS's most striking failures has been its inability to collect the $27 billion known to be owed in back taxes. Starting May 9, every overdue account will be fed into a computer that can also work a telephone. If the tardy taxpayer does not answer, the computer will hang up and call again in half an hour. It will continue this all day, from 8 a.m. to 8 p.m., Mondays through Fridays, and also

Saturday mornings. When the delinquent finally answers, the computer will switch the call to a Treasury agent, and at the same time the agent's video screen will light up with all the details of the taxpayer's derelictions. "This will drastically increase the number of accounts that a revenue agent can contact," says Dean Morrow, acting assistant IRS commissioner for computer services. "And every time a taxpayer is talked to, his chances of paying are drastically improved."

Though it has been demonstrated that each $1 spent on enforcing tax collection brings an average return of at least $10, President Carter refused to hire more IRS employees because of his drive to reduce the size of the federal bureaucracy. Ronald Reagan initially went even further, slashing the IRS work force from 87,400 in 1980 to 82,800 in 1982. The 13,500 agents now examining returns in the field are 250 fewer than were deployed in 1977. Reagan justified the staff cuts on the hopeful ground that his planned tax reductions would reduce tax evasion and IRS work. In fact, since 1980 the number of returns to be processed has increased by 27 million, to 170 million, and major changes in the tax laws have required extensive staff retraining. Belatedly recognizing that shrinking the IRS was a false economy, the Administration has let the agency hire 5,250 new employees in the past year.

Though the computers are programmed to look for anything statistically suspicious, the shortage of staff has meant a continuing decline in the number of audits. Even among those who earn more than $50,000, a group normally audited most heavily, the rate has shrunk from 12.13% to 5.68% since 1972.

Just as it has been slow to discover tax evaders, the IRS has been slow to prosecute them. Between 1972 and 1982, the total number of cases recommended for criminal prosecution rose only from 1,795 to 2,297, and the number who pleaded no contest or were found guilty, from 733 to 1,291. The backlog of civil suits over the amount of taxes due has swelled from 27,910 at the end of 1979 to 53,440 now. A number of experts believe that there should be not only more prosecutions but stiffer penalties. "A touch of jail for the Harvard graduate is a strong deterrent," says Lincoln Almond, the U.S. Attorney for Rhode Island.

Actually, Congress did increase the maximum fine from $10,000 to $100,000 in 1982, and the courts are beginning to impose tougher sentences. In 1972, only 37% of convicted tax cheaters went to jail; they stayed an average of eleven months. Last year 58% were put behind bars for terms averaging 26 months. On the state level, light sentences are still the rule. In Massachusetts, for example, the longest jail term for each count of tax evasion is five years, but first-time offenders receive an average sentence of six months—and only eleven evaders were packed off to the penitentiary last year. "Simply put," says Harry Mansfield, the senior tax attorney at the Boston firm of Ropes & Gray, "we need that element of fear."

Mansfield raises a harder problem, the complexity of the tax law. Not only does this make compliance difficult ("It has got to the point where professionals like myself cannot be competent in all areas and are beginning to specialize within specialties"), but it requires unrealistic levels of sophistication among agents and examiners. Even worse, it fosters the impression that paying taxes is a game, whose object is to beat the system. "There is no substitute for a simple, less bulky and more understandable tax structure," says Mansfield. "As it stands now, a person observes a neighbor cheating and thinks, 'Why not?' Tax evasion feeds upon itself."

Bernard Wolfman, a Harvard law professor, cites the example of an expensive restaurant in Washington, "right in the shadow of the IRS," where he and a group of other lawyers were given signed tax receipts for their dinner, and then saw that the amount had been left blank, to be filled in according to the diner's conscience. "Face it," says Wolfman, "waiters in nice restaurants are serving people they know are deducting the bills racked up in those places. Lower- and middle-income people are not dumb just because they don't have loopholes. They know a significant distinction when they see one, and they resent the well-heeled using tax-free expense accounts and legal shelters to get out of paying their fair share."

Traditionally, of course, everyone agrees that "loopholes" for "special interests" should be abolished, but impassioned defenders arise when the "loophole" happens to be a middle-class favorite, such as interest on home mortgages or even the deductions for children ($1,000 each on the 1040 form). Indeed, every time a bill is introduced in Congress to reform the tax system, it seems to create still more exemptions and complications. The Internal Revenue code now numbers 2,062 pages of text.

This intractable tangle has inspired some reformers to advocate the so-called flat tax. If all exemptions and deductions were abolished, according to their estimates, the tax rate could be cut to a uniform 18%. And the millions of hours now wasted on puzzling over Form 1040 supposedly could be devoted to some more worthwhile purpose—which means just about any purpose at all. H & R Block could enter some other line of business. It seems hard to imagine, though, that such a reform would not inspire just one little exception, and then another and another.

But even if the flat tax did retain its absolute purity, many argue that an equal tax rate for everyone is inherently unequal because it falls proportionately harder on people with low incomes. "Equity calls for some degree of graduation, with progressive rates," says Wolfman. "I like to think of it as democratic equity." Democrats Bill Bradley, a New Jersey Senator, and Richard Gephardt, a Missouri Representative, have proposed a "fair tax," which calls for a basic flat rate of 14% on income up to $25,000 for individuals and $40,000 for couples; surtaxes ranging from 6% to 14% would be applied to income above those levels.

There remains the question of public perceptions. Is the tax system really fairer than many people seem to think? Probably. Is the belief in its unfairness actually a cause or simply a symptom of people's desire to cheat? Probably both. Traditionally, the IRS has attempted at this time of year to improve its image of fairness and power by launching a few well-publicized prosecutions, or at least auditings, of some celebrated people *(see box)*. But it may be that such publicity only strengthens the current cynicism, and makes it easier to rationalize tax cheating on the grounds that everyone else is doing it.

It is always easy, of course, to tell oneself that "everyone" is doing what one secretly wants to do. It is easy to say that this is what the smart people are doing, the winners, the people who know how to beat the system. Easy but wrong. People who lie and cheat on their taxes are neither smart nor winners; they are simply cheats and liars. In the end, the money that they steal is not being stolen from a faceless government; it is being stolen from their honest neighbors who as a result must pay not only their own taxes but the taxes that the cheaters did not pay. "It's no game," says Roderick Chu, New York State's commissioner of taxation and finance. "As more people evade, we either have to raise taxes or cut programs. People ought to think about that." —***By Otto Friedrich. Reported by David Beckwith/Washington and Adam Zagorin/New York, with other bureaus***

A U.S. Army adviser in El Salvador instructing a local soldier in the use of the M60 machine gun last week

World

CENTRAL AMERICA

Much Talk About Talks

To appease Congress, the U.S. leans toward negotiations in El Salvador

"A sea change in attitudes." Thus did Democratic Congressman Clarence D. Long of Maryland last week describe the latest act in what has become a lengthy, confusing and important political psychodrama over U.S. involvement in war-torn El Salvador. Long, who is chairman of the 13-member House Subcommittee on Foreign Operations, had just listened to Secretary of State George Shultz express support for what seemed to be a new and more moderate solution to El Salvador's ugly three-year civil war.

According to Shultz, the Administration is willing to support talks between the government of El Salvador and the less radical members of the Marxist-led rebel movement that is trying to overthrow the regime. But the U.S. would not, Shultz stressed, offer the guerrillas a share of power that they had not won at the ballot box. Said he: "We will not support negotiations that short-circuit the democratic process and carve up power behind people's back."

The change was one of emphasis, not of substance. But it could prove crucial in winning congressional support for the Administration's request for $110 million in U.S. military aid to El Salvador in addition to the $26 million that has been appropriated so far this year. Various Senate and House subcommittees will vote on parts of the aid proposal this week. Rejection of the measure would be a major blow to U.S. policy in El Salvador. According to the Administration's own gloomy forecast, the Salvadoran government is in danger of losing its war against some 6,000 guerrillas of the Marxist-led Farabundo Martí National Liberation Front (F.M.L.N.) unless the Salvadoran army receives more money, arms and advisers.

The critical question in Congress last week was whether such influential moderates as Long would go along with the Administration's plan. Many members of Congress were talking about attaching strings to any aid that is approved. The condition most frequently mentioned: that the U.S. should actively promote talk, not fighting, in El Salvador.

For weeks Washington has been buzzing with the notion that negotiations of some kind with the guerrillas and their supporters are the only way of avoiding hopeless involvement in a Central American quagmire. The idea, which was promoted by France and Mexico in 1981, has the backing of a number of other West European and Central American governments. It gained further momentum during Pope John Paul II's recent eight-day trip through the region, during which he issued a call for "dialogue" between the adversaries in El Salvador. In principle everyone, including President Reagan, endorses the idea. But everyone also has his own notion of what such talks should and should not cover, and of who should be talking to whom.

The challenge to the Administration's aid proposal was put most bluntly by Daniel K. Inouye of Hawaii, the ranking Democrat on the Senate Foreign Operations Subcommittee. In an emotional Senate speech, Inouye disputed the Administration's thesis that the Salvadoran guerrillas represent a Cuban- and Soviet-backed military thrust to produce a revolutionary domino effect in the U.S.'s backyard. He described the 22,000-member Salvadoran armed forces as violent and corrupt, and urged the Salvadoran government to open negotiations "with all parties to the conflict" before any additional U.S. military assistance is provided.

Opponents of the Administration's Salvadoran policy have been notably

Challenging the Reagan Administration: guerrillas carrying out economic sabotage by burning farm trucks on the coastal highway

vague about the kind of negotiations they favor. Many, however, seem to agree with the rebels that bargaining should include the question of power sharing.

Much of the responsibility for the current confusion rests with the Administration. Shultz and Assistant Secretary of State for Inter-American Affairs Thomas O. Enders have insisted that U.S. policy has not changed since 1981, when former Secretary of State Alexander Haig first cast the Salvadoran struggle as an East-West conflict. The chief elements of U.S. strategy have been to buttress the Salvadoran government with guns, money and American military advisers (who currently number around 37), while encouraging political and economic reforms as well as an improvement in El Salvador's doleful human rights record. The U.S., say Administration officials, has always favored talks with the guerrillas, if they will first agree to participate in the normal Salvadoran political process.

But that emphasis has not always been clear. After U.S. Ambassador to the United Nations Jeane Kirkpatrick visited El Salvador in February, the White House let it be known that it wanted to send more military aid and advisers. Some White House staffers began to second-guess the political judgment of Assistant Secretary Enders, who had never before been considered a soft-liner on U.S. policy in El Salvador. Enders was concerned that congressional support for Administration policy might erode without some display of flexibility on the negotiation issue. The Administration's hardening attitude created the feeling that it would in no circumstances support negotiations.

The Reagan Administration's goal is to build upon its first efforts to bring democracy to El Salvador. Almost exactly a year ago, 74% of the electorate defied guerrilla threats and voted freely for a Constituent Assembly that is expected to produce a new constitution for the country next month. But since the election, U.S. policy has suffered several major reversals. Right-wing elements, led by Constituent Assembly President Roberto d'Aubuisson, won the upper hand in the Assembly and, in postelection bargaining, tried hard to sabotage U.S.-inspired reforms. The improvement in the observance of human rights in El Salvador is halting at best. Right-wing death squads and trigger-happy armed forces units still roam the country, adding an average of 100 victims a week to the estimated 35,000 Salvadorans who have died in the three-year conflict.

The U.S. suffered two more blows on the human rights front last week. A Salvadoran judge temporarily blocked the long-awaited trial of four national guardsmen accused of the 1980 murder of four American churchwomen near the capital of San Salvador. Despite the testimony of another guardsman who has confessed to complicity in the killings, plus FBI ballistics and fingerprint evidence, the judge said that Salvadoran justice demanded additional proof. Three days later, it was announced that the president of a Salvadoran human rights commission, a 34-year-old woman, had been killed during an army counter-insurgency sweep.

The news from other battlefronts has been no better. The Salvadoran armed forces, led by Defense Minister José Guillermo García, have shown neither resolve nor proficiency. Ignoring U.S. advice, the Salvadoran military has wasted its energy in useless sweeps of remote hinterland areas, while the guerrillas have scored easy but psychologically important victories by briefly occupying towns in the country's economic heartland. A guerrilla campaign of economic devastation continues practically undeterred; last week much of the country was plunged once again into temporary darkness after guerrilla forces blew up a series of electrical power lines.

Complicating matters for the Administration is the fact that the Salvadoran insurgents have repeatedly said they are willing to negotiate. The most explicit offer came last October, when Guillermo Manuel Ungo, president of the Revolutionary Democratic Front, a group of five leftist parties now allied with the guerrillas, offered "unconditional" discussions with the Reagan Administration in order to end the war.

In reality, the guerrillas' position is hardly unconditional. It consists of five major points: 1) a demand to restructure the Salvadoran government in order to include both the guerrillas and their more moderate allies, thereby canceling the results of last year's election; 2) dismantling the 10,000-member Salvadoran internal security forces (which are widely believed to be responsible for the majority of the country's human rights atrocities) and including guerrilla regulars within the Salvadoran army; 3) a continuation, and possible extension, of the U.S.-backed economic reforms in El Salvador; 4) adoption by El Salvador of a nonaligned foreign policy, most likely meaning an end to the country's intimate ties with the U.S.; and 5) an agreement on future elections that would incorporate the insurgents.

The guerrillas have made one strong argument in favor of their own terms for negotiation. In El Salvador's violent climate, they and their allies can legitimate-

ly fear for their lives if they lay down their arms and join the country's fragile democratic political process. In 1981, for example, six Revolutionary Democratic Front leaders were murdered after a political rally in San Salvador. Says Leftist Spokesman Ungo: "We are not so stupid as to participate in elections that will result in our ending up in a cemetery."

Both the Reagan Administration and the Salvadoran government understand that fear. In his testimony last week, Shultz assured Congressmen that the U.S. would offer every effort to "make it genuinely safe and possible for people of all persuasions to take part" in the upcoming presidential elections. In El Salvador, the country's Constituent Assembly was debating a new amnesty law that, in theory at least, would allow the guerrillas and their supporters to rejoin the country's political process without fear of legal reprisal.

With U.S. encouragement, the Salvadoran government has created a three-member "peace commission" to serve as an intermediary in talking to the left. Last week, in a two-page advertisement in El Salvador's major newspapers, Provisional President Alvaro Alfredo Magaña Borja called on the rebels to "reincorporate yourselves on the road of right and peace by abandoning your attitude of violence."

In Mexico City, however, Guerrilla Spokesman Hector Oqueli reiterated the insurgents' insistence on an unspecific "dialogue" with the Salvadoran government as an initial step in the negotiating process. Said Oqueli: "We don't want any preconditions. The best possible solution is a dialogue that could lead to negotiations." In other words, the guerrillas feel they must continue to fight as they talk.

The amnesty proposal, if it ever emerges from the Assembly, is foredoomed to rejection by the rebels. Despite their publicized appeal for negotiations on their own terms, the guerrillas have already declared that they now consider the tide of battle in El Salvador to be running in their favor. In touting their strength, they added a direct challenge to the Reagan Administration. Said the rebels' Radio Venceremos: "We cannot and ought not fail to place our plans in the framework of a regional conflict" to decide the future of Central America.

Those words sounded like a powerful reinforcement of Shultz's warning to skeptical Congressmen as he pleaded for continued support for Reagan Administration policy in the region. While admitting the need for further changes in El Salvador, Shultz added that "no amount of reform alone can end the conflict so long as the guerrillas expect military victory." Nor can the many calls for negotiation have much meaning until all parties are willing to demonstrate that they would truly rather talk than fight. —*By George Russell. Reported by Timothy Loughran/San Salvador and Gregory H. Wierzynski/Washington*

Israeli Arms for Sale

Scarcely noticed in the continuing tension in Central America over the past year is the fact that a principal arms supplier to at least three countries in the region is Israel.

This is hardly news to arms experts, who know that Israel has become the world's seventh largest armaments exporter (after the U.S., the Soviet Union, France, Britain, West Germany and Italy). Its arms and military software sales have doubled in five years, and in 1982 exceeded $1.2 billion. Of this amount, some $150 million went to South America, principally to Argentina and Peru. Only about $20 million worth of weapons and military training programs were sold to Central America last year, but the figure is expected to reach $45 million to $50 million this year.

The presence of Israeli arms in the region is not new. During the Nicaraguan civil war that ended with the overthrow of Dictator Anastasio Somoza by Sandinista rebels in 1979, both sides fought with Israeli guns. In the 1976 border skirmish between Honduras and El Salvador, the two countries used Israeli infantry weapons. Since 1976, Israel has become a leading supplier to Guatemala, Honduras and to a lesser extent Costa Rica.

Guatemalan soldier with Galil assault rifle

In Guatemala the Israelis have sold the government everything from antiterrorism equipment to transport planes. Army outposts in the jungle have become near replicas of Israeli army field camps. At one such outpost in Huehuetenango, Colonel Gustavo Menendez Herrera points out that his troops are using Israeli communications equipment, mortars, submachine guns, battle gear and helmets.

In Honduras the Israeli-supplied equipment in use by the armed forces includes Galil assault rifles and Super-Mystère jets that Israel bought from France in the mid-1950s, refurbished and sold to Honduras in 1976. Israel is on the verge of selling its Kfir-C2 jet fighter to the Honduran air force, but it must first secure U.S. permission because the Kfirs are equipped with American-built General Electric J79 turbojets. Despite warnings from some U.S. Government quarters that such a deal will simply invite the stationing of Soviet MiGs in Nicaragua and escalate the Central American arms race, the Reagan Administration is now considering giving its approval.

Israel has several reasons for pursuing its arms trade. Most important, it needs the money to help cover the huge research and development costs of its own weaponry. In consequence, it does not ask too many questions about a prospective buyer.

The Israeli arms sales campaign also has political goals: to win new friends and to support governments that oppose the radical Arab states and particularly the Palestine Liberation Organization. In Central America the Israelis are actively wooing the regimes that are hostile to Cuba and Nicaragua, two countries that strongly support the P.L.O. The policy, in short, is based on the ancient adage that "the enemy of my enemy is my friend."

Inevitably, the Nicaraguan government and others have charged that Israel is merely serving as Washington's proxy in Central America. U.S. officials deny this, though some acknowledge that Israel occasionally makes life easier for them by supplying arms to regimes that the Reagan Administration feels it cannot support so strongly or so openly. Says an American expert based in the Honduran capital of Tegucigalpa: "Israel operates without the restrictions imposed on us in this part of the world. It doesn't have to explore the abuse of human rights. It has arms to sell, and the governments in this region need them." An Israeli weapons dealer puts it more bluntly: "Just about anyone who shows any interest in buying arms from us can have them."

U.S. Marines take cover after terrorists throw a hand grenade at their patrol near Beirut

MIDDLE EAST

Tough Postures

Angry Marines, firm Israelis

The tension that flared over the Middle East last week involved not the usual combatants, Arabs and Jews, but two forces that are supposed to be friendly: the U.S. Marine Corps and the Israeli Defense Forces. In a scathing letter to Defense Secretary Caspar Weinberger, which was later released by the Pentagon, U.S. Marine Commandant General Robert Barrow complained that Israeli forces in Lebanon have consistently "harassed, endangered and degraded" U.S. troops. He asserted that the Israelis "persist in creating serious incidents" and suggested that these episodes had been "timed, orchestrated and executed for obtuse Israeli political purposes."

Barrow's timing was a bit odd. Marines were indeed attacked last week, as were French and Italian members of the 5,200-man multinational force in Beirut, but not by Israelis. Most of the examples of Israeli harassment occurred when Ariel Sharon was still Defense Minister. His apparent motive: to ensure that Israeli rather than American or other foreign troops would guard the Lebanese side of the border once a troop-withdrawal agreement had been signed. Such confrontations have diminished since Sharon's replacement as Defense Minister by Moshe Arens. Many of the events Barrow referred to involved not the Marines of the multinational force but American officers of the United Nations Truce Supervision Organization, which has been in the region since 1949.

Officials in Israel were stung by Barrow's accusations and the manner in which they were released. Prime Minister Menachem Begin's government issued a detailed rebuttal of Barrow's charges. It claimed that all the incidents took place within areas controlled by Israeli forces, not by the Marines, and attributed the strains partly to the fact that U.S. officers, unlike their French, Italian and British colleagues, are instructed not to confer with their Israeli colleagues. Privately, the Israelis blamed Weinberger, whom they regard as their nemesis in the Reagan Administration.

General Barrow drafted his angry letter just as Israeli Foreign Minister Yitzhak Shamir and his Lebanese counterpart, Elie Salem, visited Washington for intensive negotiations with Secretary of State George Shultz. The purpose: to break the logjam in talks on withdrawing Israeli troops from Lebanon. The U.S. offered a variety of suggestions under which the security of southern Lebanon would be the responsibility of the Lebanese army and perhaps of special Lebanese units trained and equipped by the U.S. Major Saad Haddad's 1,200-man militia, which enjoys close links with the Israelis, could be integrated into this special force. As the meetings progressed, Shamir seemed to back off from a demand for Israeli-manned early-warning stations in the border area. Instead, he discussed other alternatives, including the possibility that Israeli liaison officers would be permitted to make inspection trips into Lebanon. But such flexibility may be illusory: when Shamir returned to Jerusalem, he told reporters that the U.S. ideas are "not yet satisfactory."

Whether the Israelis are haggling for more concessions or are genuinely opposed to the latest U.S. proposals is not known. In any case, the delay in withdrawing troops from Lebanon steadily diminishes the chances of success for Ronald Reagan's plan to solve the Palestinian problem by linking the Israeli-occupied West Bank and Gaza Strip to Jordan. For this reason, perhaps, the President gave U.S. Negotiators Philip Habib and Morris Draper terse instructions as they returned to the Middle East last week: "Wrap it up." ■

SOVIET UNION

Nuke Rattling

Moscow's two-edged warning

Since talks on reducing nuclear weapons in Europe resumed two months ago, U.S. and Soviet negotiators have followed a prescribed ritual of meeting twice a week for an exchange of views. But so far, there seems to have been more talk in newspaper columns than behind the closed doors in Geneva. In keeping with that tradition, two top Soviet officials issued warnings in the press last week about what the Kremlin might do if NATO went ahead with plans to start deploying 572 U.S.-built intermediate-range missiles in Western Europe later this year.

The first propaganda salvo came from Marshal Nikolai Ogarkov, Chief of the Soviet General Staff. In a rare interview, Ogarkov bluntly described the consequences of any NATO missile buildup as "very sad, very bad." The Soviet Union, he told the New York *Times*, would have to respond to a NATO nuclear attack by striking back directly at the U.S. Declared Ogarkov: "If the U.S. would use these missiles in Europe against the Soviet Union, it is not logical to believe that we will retaliate only against targets in Europe."

Georgi Arbatov, director of the Institute for U.S. and Canadian Studies and a man believed to be close to Soviet Leader Yuri Andropov, followed Ogarkov's lead with an authoritative commentary published the same day in *Pravda*. He offered an equally chilling assessment of how Moscow would respond to the deployment of new American missiles in Europe. To preserve nuclear "equality," Arbatov said, the Soviets "would have not only to add to our missiles in Western Europe but also to deploy them near American borders." The meaning of the final phrase was left deliberately vague, but Western arms analysts thought it unlikely that Moscow would risk putting missiles back in Cuba. A more probable alternative would be to station submarines armed with new sea-launched cruise missiles off the U.S. coast.

Ogarkov

For all the tough talk, the Soviets were careful to hold out a tattered olive branch. Ogarkov's public comments stopped well short of more serious threats that Soviet officials have made previously through diplomatic channels. Arbatov also noted that any change in Washington's attitude "will, of course, be noticed in Moscow." TIME has learned that President Reagan recently invited Soviet Ambassador Anatoli Dobrynin for a private chat and assured the veteran diplomat that he is personally committed to peace. It was a tiny step in easing tensions. ■

FALKLAND ISLANDS

A Melancholy Anniversary

One year after the invasion, the kelpers mourn a life gone forever

The town meeting began exactly at 8 p.m. in the dimly lighted white clapboard auditorium overlooking Port Stanley's harbor. In the chair was Councilor Terry Peck, 45, an earnest, stocky plumber and former police chief who dutifully jotted notes on the proceedings. But the residents of the tiny capital (pop. 1,050) of the Falkland Islands were not getting together simply to discuss the local issues that bedevil most small communities. One man asked when the town gym, which is now occupied by British soldiers, would be open to the public again. Another grumbled about the military trucks that have been tearing up streets. As if to underscore the new realities of life in the Falklands, a British Phantom jet fighter screamed overhead.

After Argentina's invasion of the windswept South Atlantic archipelago one year ago, the Falklanders talked excitedly about the 98-ship British armada that was being sent 8,000 miles to recapture the islands. And when, 74 days after the attack, the British won the surrender of the 10,000-man Argentine garrison, they greeted their saviors with cheers and tears. But now, with 4,300 British servicemen stationed on the islands, the 1,800 Falklanders have become painfully aware that life will never again be as it was before the early morning of April 2, when 150 Argentines suddenly landed on a beach near Port Stanley. That is a sad realization for the "kelpers," as the natives proudly call themselves, after the seaweed that grows abundantly in their waters. Says Steve Whitely, 33, a veterinarian who emigrated from Scotland seven years ago: "Before the war, it was so quiet. You knew everybody. A lot of people never thought of the 'after.' "

The signs of change are everywhere. Before the war, the townspeople eagerly awaited the arrival of the supply boat that came from Britain every three months. Last week the harbor was filled with at least 17 warships and merchant vessels, and the locals have grown so blasé that only word of a Royal Navy submarine stirs much interest. The busiest part of town is the jetty, where supplies are taken off the ships and soldiers come and go all day. Trucks hauling machinery and building supplies snort up the hills toward Stanley Airport, which is crowded with Phantom and Harrier jets and ringed by gleaming Rapier antiaircraft missiles.

To the soldiers, the kelpers have become known as "bennies," after a British TV character who is a decent, hard-working but thickheaded farmer. When military commanders reportedly banned the sobriquet, the troops quickly devised a new one: "stills," short for "still bennies." The natives, in turn, refer to the soldiers as "squaddies," an archaic British dig at military men of low rank.

Most of the 4,300 soldiers live in public buildings and on troopships, while the remainder stay in private homes. The arrangement seems to suit the servicemen as well as residents, who receive $2 a night for each boarder's bed and breakfast. "For the sailors, it's like going back home to find Mother cooking a meal," says Major General David Thorne, commander of the British forces on the island. But there are tensions. In February, Vivienne Perkins, 40, declared her pub, The Victory, off limits to the Royal Navy after sailors became rowdy. "They literally wrecked the joint," says Perkins. "The lads need some place to go, but there's no need to run amuck in the town." The soldiers have little opportunity to unwind, however; diversions are few, and young, single women are in short supply. Other kelpers talk about the problems of living under the joint civilian-military rule that was imposed after the war. Sir Rex Hunt, who carried the title of Governor before the invasion but who is now called Civil Commissioner, shares duties with Thorne. Says Veterinarian Whitely: "The military is not answerable to the public. They do what they bloody well want."

However the kelpers may feel about the British garrison, all remain united in their dislike for the Argentines. When the invasion began, Claude Molkenvuhr, 52, and his family fled from their 10,800-acre spread near Port Stanley to a farm 20 miles away. When they returned, they found their house a shambles. "They took everything," says Judy, Claude's wife. "They even pinched the children's toys. I don't dare cry because if I started I'd never stop." At the outbreak of the war, Molkenvuhr owned more than 3,000 sheep; now he has only 900. Says he: "We should be shearing now, but there is nothing."

The Argentines did leave behind some unwanted mementos: two-thirds of Molkenvuhr's property is off bounds because it has been studded with mines. It is unknown how many of the lethal explosives have been scattered around the islands. A squadron of 180 bomb experts combs the land, and so far, a total of 1.8 million fragments of mines, grenades and shells have been uncovered. Maps outlining dangerous zones are marked: "These areas are known to contain mines and booby traps. DO NOT ENTER." Even so, the risk remains great, especially for children and animals, and military officials predict that many of the bombs will never be found.

Some aspects of the Falklands' somnolent life have not changed. There is no television, though video-cassette players are proliferating (the most popular movies: *M*A*S*H* and *Julia*). The telephones have crank handles and are operated by a sole switchboard. The brightly painted clapboard houses are heated with bricks of black peat stored in sheds near kitchen doors, and Land Rovers are the most popular means of transportation. The largest store is run by the Falkland Islands Co., which owns more than 43%

A group of young Falklanders strolls past the police headquarters in Port Stanley

Civil Commissioner Sir Rex Hunt

Photographs for TIME by Graham Bound

Some things never change: the well-kept, bountiful garden of a Port Stanley resident

Rapier antiaircraft missiles near the airport

of the land and employs 240 workers. Mutton, delivered to homes twice a week, is still referred to as "the 365," meaning that people roast it and stew it and chew it 365 days a year. One happy result of the war is that the Falklanders decided to start a weekly newspaper, the *Penguin News*. Another welcome consequence: demand for colorful Falkland Islands stamps (printed in England) has grown so much that the government earned more last year from foreign philatelists than from the income taxes kelpers pay.

Hunt predicts that life will return to normal once all the soldiers are moved into military accommodations. Prefab wooden camps are being built outside Port Stanley, while the first "coastel," a barge stacked with metal freighter containers and able to house 930 men, has been installed. Construction of a new "strategic airport" that will be able to handle jumbo jets is scheduled to begin in October. Because no flights are allowed from Argentina, the Falklands are even more isolated than they were before the war. Visitors arriving by air must take a slow, cumbersome C-130 Royal Air Force Hercules transport plane from Ascension Island, 4,000 miles to the north. Only passengers with "urgent or high-priority circumstances" are permitted to book seats. The flight, which costs $2,970 round trip, takes up to 14 hours and involves tricky midair refueling. If the crosswinds at Stanley Airport are too fierce, the mission is scrubbed and the plane heads back to Ascension.

Despite the mood of melancholy resignation, the kelpers remain grateful for the British presence. "They are far more concerned about the Argies," says Councilor John Cheek. "People here worry about a sneak air raid or a commando landing. To prevent that, they'll put up with almost anything."

Such fears are not unfounded. The Argentines remain determined to avenge their humiliating defeat. The military regime refuses to admit formally that the war is over, and it has declared April 2 a national holiday. As Argentina prepares to vote for a civilian government in October, politicians of all stripes sound the same theme, calling the islands by their Spanish name. "The Malvinas are ours."

To prevent another invasion, British Prime Minister Margaret Thatcher has pledged to defend what has become known as Fortress Falklands at an estimated cost of $2.79 billion over the next three years, or more than $1.5 million per kelper. Despite a Gallup poll indicating that 53% of the British felt the islands were not worth keeping at such high expense, Thatcher resolutely refuses to retrench or to negotiate the future sovereignty of the islands with Argentina.

To show their thanks, the kelpers next month will welcome 550 relatives of some of the 255 British soldiers who died in the war. Arriving by cruise ship from Uruguay, the visitors will spend three days touring Port Stanley and visiting the graves of their loved ones. A request for a similar trip by the relatives of the some 400 dead Argentine soldiers buried on Falklands soil has been turned down. The war, in its own way, goes on. —*By James Kelly. Reported by Gavin Scott/Port Stanley*

British soldiers check for mines buried by the Argentines

Grim reminder: carcass of an Argentine Pucará at Stanley airstrip

HISTORICAL NOTES

Small Thanks

Memories of Marx

Considering the occasion, the 200 people gathered around the enormous bronze bust in London's sprawling Highgate Cemetery formed a pitifully small cluster. Nor did the perfunctory graveside eulogies give the full measure of the man they were meant to honor. Perhaps no ceremony could truly convey the sheer magnitude of the political and social upheaval Karl Marx's writings have wrought around the world. Still, few disciples of the German theoretician of Communism seemed to know last week just how to observe the 100th anniversary of his death.

Custodians of the Marx memorial were relieved that no fanatic felt driven to pry the philosopher's bearded bust off its granite pedestal, smear it with paint, or try to chisel off the nose, as had happened in the past. Throughout the day, Communist representatives from a number of countries trooped by the monument to lay bouquets of red carnations, tulips and daffodils. "Homage from the Chilean Trade Union Congress," read one card. Another floral tribute was presented "on behalf of the Marxist-Leninists in Bangladesh who cannot be here." Many residents of the city in which Marx spent the better part of his life, often taking refuge in the reading room of the British Museum Library, might have missed the anniversary altogether had it not been for a comic squabble at the Greater London Council. When left-leaning Labor Party members in the city government voted to spend $53,000 on centenary observances, Conservative Spokesman Stanley Bolton reacted with predictable ire. "We don't owe anything to Marx," he said. "We owe more to Harpo and his brothers than Karl."

European Socialists seemed just as eager to ignore their ideological debt to the political theorist. During a press conference that happened to fall on the anniversary, Spanish Prime Minister Felipe González conveniently avoided the topic, concentrating instead on the achievements of his first 100 days in office. French President François Mitterrand had nothing to say on the occasion, although his Communist partners took the typically Gallic step of convening an international symposium at the University of Paris to discuss Marx's writings.

The leaders of ruling Communist parties did little more than pay lip service to Marx. Speaking under an enormous portrait of the man, Chinese Party Secretary Hu Yaobang praised Marx as "the most outstanding revolutionary and scientist in human history," then devoted the rest of his 90-minute address to promoting Peking's pragmatic approach to reform. Soviet Party Chief Yuri Andropov contributed an anniversary article to the journal *Kommunist* last month, lauding Marx as "a great practical revolutionary." His own views on the need for workers to be thrifty and responsible had a curiously capitalist ring. Maverick Rumania marked the occasion by announcing a new wage system pegging salaries to the number and quality of items a worker produced. It was a far cry from Marx's adage, "From each according to his abilities, to each according to his needs."

Some followers of Marx mixed praise for their mentor with scathing criticism of wayward comrades. In a special section of the Italian Communist daily *L'Unita*, Party Leader Enrico Berlinguer sounded off against countries that "reduce the grand, living lessons of Marx to an ideological credo," a pointed reference to the Soviet Union. Viet Nam took China to task in a lengthy commentary on the "Great Teacher of Proletarian Revolution," published in the government daily *Nhan Dan*. Among other charges, the newspaper claimed that Peking's independent Communist line "negates the universal principles of Marxism-Leninism."

Graveside ceremony at Marx's tomb

"We owe more to Harpo and his brothers."

The most telling tributes came from the group that had most preoccupied Marx: the working class. In Nicaragua, the employees of a soap factory vowed to work double shifts for one week in honor of Marx and "in defense of the revolution." In China, a zealous textile worker went to the trouble of engraving the entire text of the *Communist Manifesto* (about 20,000 Chinese characters) onto an ivory block 15 mm by 15 mm by 50 mm. It was an odd way to honor the man who had urged the workers of the world to shake off their chains. ■

POLAND

Spring Fever

Solidarity shows signs of life

"The winter is yours, the spring will be ours." That defiant slogan, which symbolized the hopes of Poles in the bleak months following the imposition of martial law in December 1981 has not been forgotten. After another winter of inactivity, supporters of the outlawed Solidarity trade union gathered in Gdansk last week to show their opposition to the government. At best, however, the demonstration was an early harbinger of a spring that looks decidedly chilly.

Drawn by leaflets announcing a two-day protest, about 2,000 people turned up outside the Lenin shipyard, where the union was born 2½ years ago, to lay flowers and sing hymns in front of a monument honoring slain workers. The unusually large crowd drew a swift response from riot police, who closed ranks and drove the demonstrators out of the square. When protesters tried to congregate near the memorial the next day, police squads moved in again to disperse the crowd.

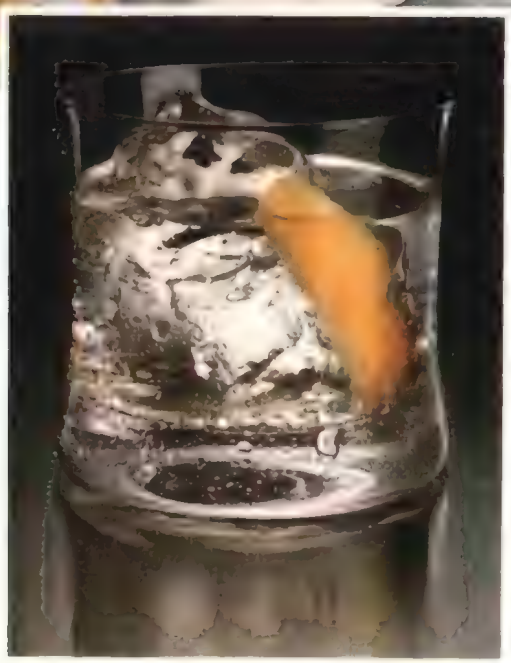
The week before the demonstration, former Union Leader Lech Walesa, who was released last November after eleven months of detention, had boldly announced that the time was right for Solidarity to find "more effective means of protest." But he later denied that union leaders had played any part in the Gdansk rally and hinted that the regime had "provoked" the incident. The confusing shift in position suggested that Walesa was uncertain about the strategy to follow in the face of a resolute government. Many key Solidarity leaders are still in prison or facing trials. Despite the disarray among union organizers, Polish workers are growing impatient with the government's ineffective efforts to bring order to the country's troubled economy. Last week the authorities raised the price of gasoline from $1.44 to $1.81 per gal. There were similar hikes in the cost of cigarettes and coffee. To show their opposition to the government's policies, many workers have boycotted the new unions created by the government last fall to replace Solidarity. Said a retired shipyard worker: "Walesa is still our leader, but he must lead. We are waiting for him to tell us what to do."

ANDRZEJ CYBULA

Walesa

Pope John Paul II's planned pilgrimage to his homeland in June may provoke another test of strength. Some Solidarity supporters have hinted they will press for reforms in the weeks before the Pope's arrival. It is a gamble that could jeopardize the visit. ■

"Our Puerto Rican white rum is smoother than gin or vodka."



"Puerto Rican Rum is so smooth, we drink it on the rocks. If you haven't tried it, you should."

Angel R. Rovira, Marketing V.P. and his wife Maria.

It's today's big trend–people having white rum in place of gin or vodka. On the rocks, in Bloody Marys, or mixed with tonic or orange juice.

The reason? Rum from Puerto Rico has a smoothness gin or vodka can't match. You see, Puerto Rican white rum is aged for at least one full year, by law. And when it comes to smoothness, aging is the name of the game.

Make sure the rum is from Puerto Rico.

Great rum has been made in Puerto Rico for almost five centuries. Our specialized skills and dedication have produced rums of exceptional dryness and purity. No wonder 86% of the rum sold in the United States comes from Puerto Rico.

RUMS OF PUERTO RICO

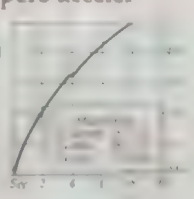
Aged for smoothness and taste.

For free "Light Rums of Puerto Rico" recipes, write Puerto Rican Rums, Dept. T–2, 1290 Avenue of the Americas, N.Y., N.Y. 10102 © 1982 Government of Puerto Rico

ANNOUNCING THE ALL-NEW

Experience the 1983 Mazda 626 Sport Sedan. Newest member of the exclusive society of refined road cars.

Experience superb acceleration and handling together with the roominess and luxury you require in a sophisticated road car.



Experience a front-wheel-drive layout that creates space for five adults to ride in comfort.

Experience remarkable directional control from rack-and-pinion steering, steel-belted radials, and Mazda's patented rear-suspension linkage.

Experience an all-new 2-litre overhead cam engine with more power than its predecessor—and better gas mileage.

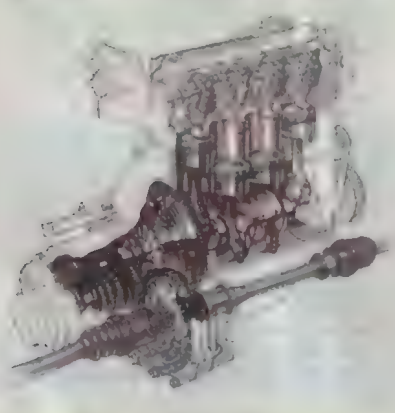
Experience all this at a price that reaffirms Mazda's commitment to outstanding value.

The exclusive society of refined road cars has just admitted a new member. And when you experience Mazda 626 with a test drive, you'll experience a new standard of excellence that puts this car in a class by itself.

The indep[illegible] rear suspension [illegible] 626 uses patented [illegible] trapezoidal [illegible] arm. Its unique [illegible]try improves dire[illegible] by [illegible] the rear wheels to "toe in" [illegible] cornering or going over b[illegible]

41 EST HWY MPG **29** EST MPG [illegible]

FRONT-WHEEL-DRIVE MAZDA 626.



Standard features include 5-speed overdrive transmission (3-speed automatic optional) • Steel-belted radial tires • Rack-and-pinion steering • Power-assisted front disc brakes • Front and rear anti-sway bars • 6-way adjustable driver's seat • Halogen headlamps • Electric rear window defroster • Full cut-pile carpeting • Carpeted trunk • 60/40 split fold-down rear seatbacks • Remote trunk release • Tilt adjustable steering column • Quartz digital clock • Tachometer • Heater duct for rear-seat passengers • Trip odometer • Tinted glass • Trunk light.

1983 Mazda 626 Sport Sedan

$7595*

FREE CATALOG TELLS MORE.
We'd like to send you a free copy of our 30-page, full-color catalog describing the new 626 Series. Just send your name, address, city, state, and zip code to the following address and mention that you'd like the 626 catalog.

Mailing and Marketing Inc
Box 5960
Orange, CA 92668
Attn: Mazda 626 Offer

mazda

The more you look, the more you like.

HIS HERS

You've come a long way, baby.

VIRGINIA SLIMS *Lights*

© Philip Morris Inc. 1983

Warning: The Surgeon General Has Determined That Cigarette Smoking Is Dangerous to Your Health.

9 mg "tar," 0.7 mg nicotine av. per cigarette by FTC method.

AUSTRALIA

The "Great Dry" Drags On

The worst drought in memory drains half a continent

An eerie stillness haunts the desolate plains of eastern Australia. Plows rest immobile in their sheds; paddocks remain withered and empty. For day after enervating day, nothing relieves the silence but the whine of hot, fierce winds whirling precious topsoil into dust clouds and the occasional squawks of crows wheeling above the carcasses of livestock.

The entire eastern half of Australia is thirsting through a wasting drought that is in many regions the worst in the history of the world's most arid continent. Already, the "Great Dry" has devastated 90% of New South Wales, which is now in its 45th month of drought, and 95% of the state of South Australia. Dubbo, a typical rural town, averages 25.5 in. of annual rainfall. Last year it had 2.3 in. In many areas seeds cannot germinate; in others the regal Murrumbidgee River is nothing but a stagnant puddle. Dust storms have enveloped Melbourne and, five weeks ago, bushfires raged over the arid ground of southeastern Australia, claiming a record 72 lives.

New Prime Minister Bob Hawke, who inherited a multitude of economic woes upon taking office earlier this month, has so far offered no solutions except for a $435,000 short-term trial of cloud seeding. Yet the drought's consequences are seeping into every pore of his nation's welfare. Some areas are suffering 40% unemployment. One estimate predicts that the total loss to the nation may amount to $7.5 billion. Australia, which relies on agriculture for half its export earnings, may also find it difficult to regain the markets it is steadily losing. Lamented the national daily, the *Australian*: "The drought is not just a rural catastrophe, it is a national disaster."

The most helpless casualties are 87 million sheep and 14 million cattle that have been left high and dry on 74,000 ravaged farms. Some farmers are selling $20 sheep for as little as 10¢. Others, trying to keep their stock, are buying hay at five times the regular price. Ranchers in southwest Queensland have sent some 350,000 sheep to healthier pastures in the north; in Victoria and South Australia, hardened farmers with tears in their eyes have shot more than 100,000 aging animals they had bred for years. Sums up Cattleman Geoff McLeod: "We have got the backside out of our trousers."

Many farmers are economically shattered or simply unemployed. The estimated average annual income of working members of farming families is expected to plummet from $10,500 last year to $2,000. Ranchers' problems are in turn spilling over to related businesses. Austin Ryan, who sells rural machinery in Warracknabeal, Victoria, has cut his staff from 28 to three. Kevin Webb of Leeton, New South Wales, who is accustomed to selling up to 320 bins of wheat a season, has sold only four this year. Small outposts, which have no source of revenue outside of farming, may vanish altogether.

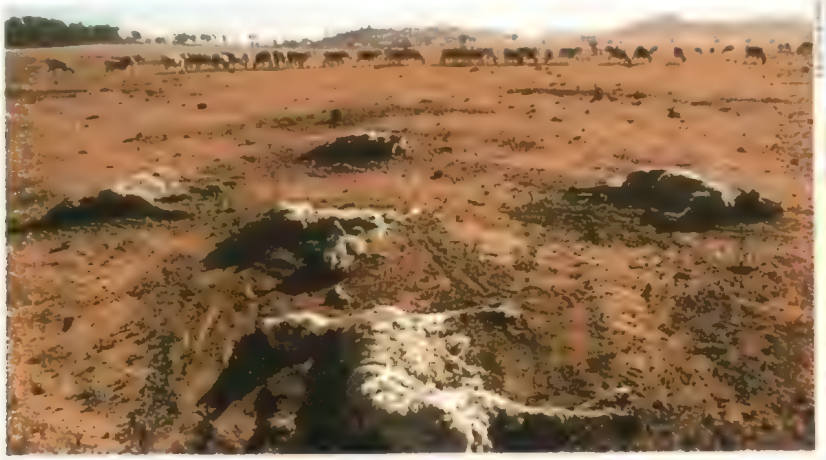
Nor have urban residents been spared. In Melbourne, some 24,000 homes have already been damaged, largely because of soil shrinkage under concrete foundations. The average repair bill: $3,000. Like 80 cities in the state of Victoria, Melbourne has been imploring its 2.8 million inhabitants to conserve water however possible and ordering them to hose their gardens for only two hours a day, three days a week. "Waterholics" who break the law face fines of up to $870.

Most Australians are responding gamely to the crisis. Citizens in Sydney have sent lawn clippings to inland sheep farmers. Victoria's state electricity commission opened up land around its power stations for 7,500 starving sheep. The Crystal Industries iceworks of Bendigo has been collecting frost from its cooling rooms to water local trees. But the hardship is inevitably kindling resentment. Many people, for example, believe that the banks are exploiting suddenly impoverished farmers by forcing expensive financing upon them. To that, one banker indignantly replies that the bulk of his bank's lending has gone to primary producers.

Rainfall alone will not solve all the nation's problems. Some farmers expect that it may take seven years to recover entirely from the drought. They must now not only take precautions against future droughts, but also plow deep furrows to contain erosion. More generally, the government, which has spent $350 million for drought relief during the current fiscal year, has pledged to spend $620 million over the next five years to expand the country's water-storage and distribution systems.

In the meantime, a rainless continent bakes. Preachers have led prayers for rain, and 400 Transcendental Meditators have concentrated their thoughts upon reversing the dry spell. To little avail. Says Jack Hallam, New South Wales minister of agriculture: "I keep wondering just how bad it will get and how people will cope." Summer has now passed into autumn, but still each day the scorching sun beats down.

—By Pico Iyer. Reported by John Dunn/Melbourne



Dead sheep lie half buried in the dust while desultory survivors forage

The cracked, withered bed of a weir

Under hot, dry winds and cloudless skies, much of the country has become a parched and sun-baked wasteland.

Chamberlain as the young parish priest Father de Bricassart tending the flock at the remote Australian sheep station Drogheda

Gum-Nut Tragedy All the Way

THE THORN BIRDS *ABC, March 27-30*

Dear Dad,

Sorry I didn't make it home to Gundagai for the bushfires. Fact is, I got stuck in New York with this sheila I met on the plane, watching a preview of a TV series the Yanks made of *The Thorn Birds*—you know, the novel by Colleen McCullough that Auntie Pat was reading before the port got her. Long as a snake's liver and all about this priest (Richard Chamberlain) and a girl named Meggie (Rachel Ward) on a station (or ranch, as they call it here) who get a big thing for one another and keep simmering away for about 35 years, slinging the stuff about God and guilt but rarely getting to the Main Event. No wonder all the mums liked it. Anyway, one of the networks here, ABC, made a saga about it, the word for anything ten hours long and slow as a stunned mullet. They say (well, they hope) the Yanks are going to watch it in their millions. Which just shows there's probably no limit to the number of poor suffering drongos who'll sit back and have the Box come the raw prawn on them.

The Yanks think life back home is pretty tough. In *Thorn Birds* the characters bellyache about the flies and heat all the time and talk about "being stuck out here in this hellish place" beyond the black stump. Actually, they never leave Northern California, except to go to Hawaii, which is the network's idea of Queensland. You don't see many gum trees either, and Qantas didn't lend the filmmakers its koala, but they did borrow a kangaroo, and now and again the director, Daryl Duke, shoos it across the set for local color. It died of a heart attack during the shooting, they tell me. No wonder. I suppose with white cockatoos going for $2,000 apiece, after *Baretta*, they couldn't have any flocks of those: there were enough flaming galahs behind the camera anyway.

Beats me why they couldn't just bundle the whole crew up and send them to Australia and get the scenery for free. The upshot is that everything on the station, called Drogheda, looks a bit wrong: wrong tools, wrong guns, wrong gates and so on. Believe it or not, they've even got singing shear-

Ward as Meggie: a beaut-looking sheila

Stanwyck as matriarch: hissing and squinting like a great goanna

Brown as Luke: the only dinkum Aussie

Among flies, ticks, funnel-webs and sandy blight, shearers sing at their work, left, and the denizens of Drogheda douse a fire

ers. Never mind, the Yanks won't notice. They like television to look cheap even when it's expensive.

Then there's the voices. They didn't use Australian actors—not many lurking in L.A., I suppose, and you can't have Peter Allen chewing the ram-stag mutton and pretending to be a jackaroo. So they all talk either Ma Maison Irish or Rodeo Drive pommy. Not a trace of Strine from magpie to mopoke until Bryan Brown (who plays Luke, the shearer Meggie marries when she can't get her priest) looms up on the horizon, picking the damper crumbs from his Great Whites with a stringybark sapling. But he's the only dinkum specimen in it. The kids even call their mother Mom, which nobody outside America does.

So Drogheda's a pretty strange place for the first few hours, except for two things. The first is Barbara Stanwyck, who plays exactly the same old knacker-bashing matriarch she used to play years ago in *The Big Valley*. Now she's at it again, hissing and squinting around like a great goanna in a woodshed. The second is the scene where the priest, Father De Bricassart, tells the child Meggie about the meaning of menstruation. He does his explaining in a rose garden, just like the old Modess ads on Brisbane TV—even the same Henry Mancini–style music.

But the truth is that nothing could look all that real, given the script, which is by Carmen Culver. You see Barbara Stanwyck pawing at Richard Chamberlain and coming out with lines like, "I have always loved you—so much that I could have killed you for not wanting me . . . Inside this stupid body I am still young, and I still want you, O God, how much!" Everyone's quite *tròppo* over Father De Bricassart, from Rachel Ward to old Greek women and even his senior coach, a papal legate played by Christopher Plummer, who keeps referring to the opposite of determinism as "free wheel," musing that "I often wonder what can account for such sadness in a face of such spiritual beauty," Chamberlain's, and comparing his pupil in Rome to "ze beautiful sleek cat among ze plump startled pitcheons."

The compliments never stop flying in Chamberlain's direction, even six hours into the series, when his hair turns white and he starts to look like Andy Warhol in a cassock. By contrast, poor Rachel Ward hardly cops any at all. There she is in the Deep North, leafing through the racy bits in D.H. Lawrence and contending with flies, ticks, funnel-webs, sandy blight and hot westerlies, and all hubby Luke wants to do is wrestle with cane cutters. Gravely neglectful, in my view.

Rachel's a beaut-looking sheila, and she's fairly serious about acting, but what can you do with a script like that? It's gum-nut Irish-Greek tragedy all the way, with Fate banging on the roof like a giant possum. "I will have given everything I have ever had or loved in my whole life," she has to elocute, on hearing that her kid (a bastard by Father De Bricassart) is going to become a priest. "Surely God can't ask for more than that?" At which point you just know it's 13 to 2 he can and will—and he does, by forcing the lad to drown about ten feet from shore in a sea that's as flat as a strap, while his sister is busy naughtying with a German diplomat.

You see how the attitude to Great Writing has changed in show biz? In your day, they'd take Tolstoy or Shakespeare and hire three hacks to give it the old re-bore. Nowadays they take Colleen McCullough and treat her dialogue and thoughts on destiny as though they were Holy Writ. And they say *Australia's* upside down! Well, see you there—and don't stub your toe on any Yank researchers.

Love, Dave

—By Robert Hughes

A Guide to Strine

Black stump, beyond the: any excessively remote part of the outback.

Damper, n.: unleavened loaf baked in the ashes, a staple of bush cooking.

Dinkum, adj.: genuine.

Drongo, n.: a gullible person.

Funnel-web, n.: a type of venomous spider.

Galah, n.: small pink-and-gray cockatoo, noted for its stupidity; hence, a drongo.

Goanna, n.: a giant climbing lizard.

Gum-nut, adj.: authentically Australian, provincial.

Jackaroo, n.: boundary rider, station hand, sheep drover.

Magpie to mopoke: diurnal and nocturnal Australian birds; hence, "dawn to dusk."

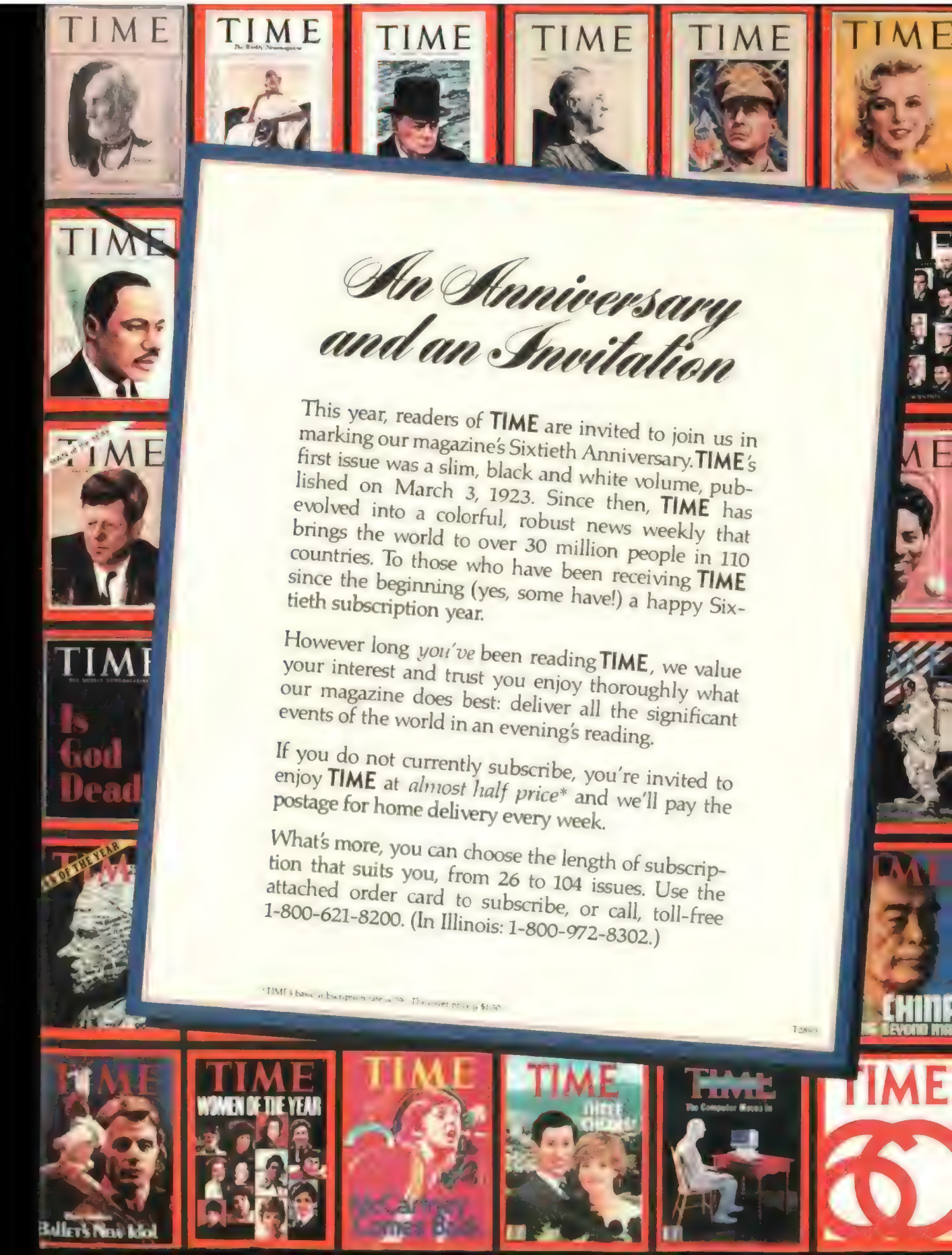
Ram-stag mutton, n.: old, tough meat.

Raw prawn, to come the, v.: to delude or hoodwink a drongo or galah.

Sandy blight, n.: an inflammation of the tear ducts caused by living beyond the black stump

Sheila, n.: a young woman.

Photographs by Jim Globus—ABC



An Anniversary and an Invitation

This year, readers of **TIME** are invited to join us in marking our magazine's Sixtieth Anniversary. **TIME**'s first issue was a slim, black and white volume, published on March 3, 1923. Since then, **TIME** has evolved into a colorful, robust news weekly that brings the world to over 30 million people in 110 countries. To those who have been receiving **TIME** since the beginning (yes, some have!) a happy Sixtieth subscription year.

However long *you've* been reading **TIME**, we value your interest and trust you enjoy thoroughly what our magazine does best: deliver all the significant events of the world in an evening's reading.

If you do not currently subscribe, you're invited to enjoy **TIME** at *almost half price** and we'll pay the postage for home delivery every week.

What's more, you can choose the length of subscription that suits you, from 26 to 104 issues. Use the attached order card to subscribe, or call, toll-free 1-800-621-8200. (In Illinois: 1-800-972-8302.)

*TIME's basic subscription rate is $39. The cover price is $1.50.

The Man with the Barefoot Voice

Arthur Godfrey: 1903-1983

He sang like a frog and played his ever present ukulele like a hunt-and-peck typist. He talked with his mouth full and tossed aside his script to ad-lib whatever came into his head. He had no talent but folksiness. For Arthur Godfrey, that was enough. At his peak in the 1950s he was, after President Eisenhower, perhaps the best-loved man in America. Godfrey's daily radio show and two weekly TV shows on CBS brought the network as much as 12% of its total revenue. Said CBS Chairman William Paley of Godfrey in his heyday: "He is the average guy's wistful projection of what he would like to be."

Everything about Godfrey seemed to capture the public's imagination. When he fired his prize discovery, Singer Julius LaRosa, on live network TV in 1953, purportedly for "lack of humility," the incident made front pages across the country. So did another burst of temper the next year, when Godfrey, an avid pilot, grew angry with the flight instructions he had been given for his DC-3 and buzzed an airport control tower in Teterboro, N.J.

In 1959, when doctors discovered that he had lung cancer, he underwent life-threatening surgery; waiting for word of his fate amounted to a national vigil. Godfrey initially announced his retirement so that he would not be seen to "waste away." But he was perpetually rejuvenated by optimism. At 65, a decade after the surgery, he said: "The only things I have given up are cigarettes and tap dancing." He continued on daily radio until 1972, and in the next decade made repeated attempts at a TV comeback before succumbing to respiratory ailments last week at 79.

The Old Redhead and his trademark ukulele

Evoking the values of a simpler America.

The homespun, Main Street appeal of the figure whom Fred Allen called "the man with the barefoot voice" brought to mind images from a simpler America: Will Rogers, Huckleberry Finn. Sentimental Godfrey choked up while narrating President Franklin Roosevelt's funeral for CBS Radio and shed tears on TV while listening to a women's quartet sing *Down by the Old Mill Stream*. He shocked (and delighted) housewives by using a toy outhouse as a comic prop. Performing a chicken noodle soup commercial for one of his TV sponsors, Lipton's, Godfrey made a cup, spooned through it, and said, "I see lots of noodles. I do not see any chicken." Then he tasted the soup and added, "Yes, that is chicken. It might have walked through the water once." Lipton executives probably winced, but the tongue-in-cheek salesmanship worked. Whatever Godfrey sold, he spoofed; and whatever he spoofed, lipstick or lotion, floor wax or ice cream, sold.

Enemies—and Godfrey made many, especially among former employees—often labeled the Old Redhead's country-boy manner a fraud: he was born in Manhattan to a mother who was a frustrated concert singer and an improvident father who was a self-styled British aristocrat. Young Arthur dropped out of high school to support the family at odd jobs. He started in radio almost by accident, as a banjo player sponsored by a birdseed company on a station in Baltimore.

His first two tries at network shows failed. From 1945 through 1959, however, Godfrey seemed inexhaustibly appealing in a medium that overexposes performers almost overnight. Between radio and TV, Godfrey was on the air nationwide nearly ten hours a week, drawing a total audience estimated to have been as large as 82 million. On the eve of the 1960 presidential election, 71% of Americans in a poll identified John Kennedy's face; 91% recognized Godfrey's. The secret of his success, he said, came to him as he lay abed after a near fatal auto accident in 1931: he should not announce to listeners, but talk to them, one to one. Said he: "There is no radio audience, just one guy or one girl in a room. If the audience is 'ladies and gentlemen' together, they have better things to do than hear me on the radio."

—By William A. Henry III

BORN. To **Karen Brown,** 35, California model, and **Peter O'Toole,** 50, Irish-born movie actor *(My Favorite Year)*: their first child, a son; in Dublin. Name: Lorcan (Gaelic for Lawrence, after O'Toole's greatest film role) Patrick. Weight: 7 lbs. 7 oz.

MARRIED. Melissa Mathison, 32, screenwriter of the top moneymaking movie, *E.T. The Extra-Terrestrial;* and **Harrison Ford,** 40, star of No. 2 *(Star Wars)*, No. 3 *(The Empire Strikes Back)* and No. 5 *(Raiders of the Lost Ark)*; she for the first time, he for the second; in Santa Monica, Calif.

MARRIED. David Frost, 43, inquisitive TV personality now appearing on the new (and so far unsuccessful) British morning chat show, *TV-am;* and **Lady Carina Fitzalan Howard,** 31; he for the second time, she for the first; in London.

SEEKING DIVORCE. From **Werner Erhard,** 47, Me-decade messiah of est, the self-realization cult best known for its grueling and expensive seminars: **Ellen Erhard,** 48, his second wife; after 23 years of marriage, three children; in San Rafael, Calif.

SENTENCED. Richard Jahnke, 16, high school junior convicted four weeks ago of voluntary manslaughter after he ambushed and killed his brutal, ultrastrict IRS-agent father with the help of his sister Deborah, 18; to a harsh 5-to-15-year prison term; in Cheyenne, Wyo. The court received pleas for mercy from hundreds who thought the siblings had been provoked by their father's abuse, but Judge Paul Liamos said no one should be allowed to be prosecutor, judge, juror and executioner.

DIED. Rebecca West, 90, doyenne of British letters who brought erudition, compassion, feminism, high moral stance and ferocious wit to biographies, criticism, history, novels, political commentary and journalism; in London. Born Cicily Isabel Fairfield, she began contributing in 1911 to a radical feminist journal, then to socialist periodicals (taking as her name that of the strong-willed heroine of Ibsen's *Rosmersholm*). A precocious book critic, she attacked Writer H.G. Wells in a review, then had a ten-year affair with him and bore their son; in 1930, astonishing those who thought her a bohemian, she married a wealthy banker, with whom she lived happily until his death in 1968. The author of six novels, West employed her technique and psychological insights most trenchantly in nonfiction; in her masterworks, the 1941 *Black Lamb and Grey Falcon*, a travelogue-history of Yugoslavia, and 1947's *The Meaning of Treason*, a study of World War II traitors, she raised reportage to the rank of literature. A vivid phrasemaker who valued intellectual rigor, she mourned in 1981: "It unfortunately happens that the troubled times which produce an appetite for new ideas are the least propitious for clear thinking."

OPEC Knuckles Under

As demand for crude falls, the group cuts prices for the first time

I am truly troubled and with OPEC distressed.
OPEC's major crisis is no longer suppressed,
The market is stagnant, the price of crude oil depressed.

That bit of doggerel is the opening stanza of a poem written by Mani Said al Oteiba, Oil Minister of the United Arab Emirates, to commemorate the marathon twelve-day meeting in London of the Organization of Petroleum Exporting Countries that ended last week. The minister's lament reflected the mood of desperation that led OPEC to slash its official bench-mark price from $34 per bbl. to $29, the first cut in the group's 23-year history.

For OPEC, it was a grudging admission of declining market clout. For oil-consuming nations, it was a turning point that could mark an end to the economic stagnation they have suffered since OPEC first flexed its muscle a decade ago. OPEC's action, said U.S. Treasury Secretary Donald Regan, is "good news for the U.S. and for the world economy. It will mean less inflation and a strong shot in the arm to the budding economic recovery." Data Resources, a Lexington, Mass., consulting firm, estimates that cheaper oil will boost America's real G.N.P. growth rate this year from a previously projected 1.7% to 2.2% and will slow expected inflation from 3.8% to 3.1%.

Before delegates from the 13 OPEC members had even left London, many energy experts were saying that the continuing oil glut would force prices down further. To keep that from happening, the members agreed to individual production quotas designed to limit their overall output this year to 17.5 million bbl. per day. That is 1.3 million bbl. less than the average rate for 1982, but 3.5 million bbl. more than the current rate. Said a hopeful Sheik Ahmed Zaki Yamani, Saudi Arabia's Oil Minister: "I have a strong feeling that this [agreement] will work out and that OPEC will be back in the driver's seat."

Maybe so. But at the moment OPEC is clinging to the rear bumper, and market forces are dragging the group down the road. Because of slumping demand for oil, OPEC's production has plummeted from 30.6 million bbl. per day in 1979 to a current rate of 14 million. Unless demand snaps back sharply, the target ceiling of 17.5 million bbl. per day will be irrelevant. Even after last week's reduction in the bench-mark price, many oil buyers still balked. Said Barry Good, senior oil industry analyst with the Morgan Stanley investment firm: "I have a sense that the traders believe the price has to drop more." U.S. Energy Secretary Donald Hodel predicted that the cost of crude would fall to about $25; some experts, including Alan Greenspan, chairman of the Council of Economic Advisers under Gerald Ford, see it going perhaps to $20 unless OPEC sets lower quotas.

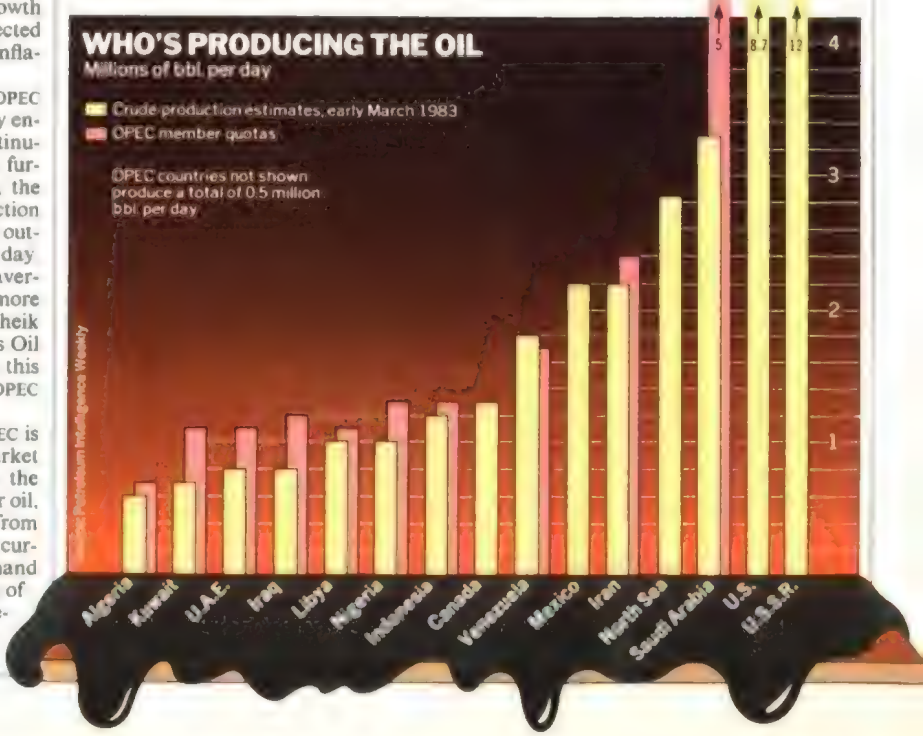
Whether or not prices keep tumbling may depend on the actions of OPEC's oil-producing competitors. Mexico, which last week lowered the charge for its Isthmus crude to $29 per bbl., is staying in line with OPEC prices. Egypt, however, lowered the price of its best crude from $29 to $27.25, and the Soviet Union has been aggressively discounting its oil to raise foreign exchange *(see box)*. At the same time, Britain is under pressure from customers to undercut OPEC by dropping the $30.50 per bbl. price on premium-quality North Sea oil.

OPEC is counting on a surge in demand to firm up prices. For several weeks, oil refiners have been shunning OPEC crude and drawing down their inventories at a particularly rapid clip—some 4 million to 5 million bbl. per day—in anticipation of price cuts. At some point, the refiners will have to start rebuilding their stocks. In addition, the emerging economic recovery in the industrial nations could spur oil consumption and send prices back up.

Some experts argue, however, that inventories are still higher than necessary, partly because of an unusually mild winter. Said Stephen Smith, an energy economist at Data Resources: "With storage costs still significant and traders aware that they can pick up all the oil they need in five minutes on the spot market, there's no incentive to start buying yet." Greenspan points out that the fear of shortages that led refiners to hoard oil in the past few years is largely gone.

Even if demand bounces up to OPEC's target level of 17.5 million bbl. per day, the group still faces the danger of widespread cheating on quotas. Similar production agreements in the past have crumbled as several countries, including Iran, Nigeria and Venezuela, offered under-the-table price discounts to raise sales. These nations are buffeted by economic and financial difficulties that will make more cheating almost irresistible.

Venezuela, for example, has run up a foreign debt of $25 billion. The country's per capita output of goods and services has sunk to a level about 15% below where



it was in 1978. Faced with a drop in oil revenues this year of at least $4 billion, Venezuela has shelved plans for construction of a new railroad, a steel mill and several highways. With an election coming in December, the government is already getting edgy about political unrest. Three journalists were jailed two weeks ago for criticizing the President.

In Nigeria, the slowdown in oil revenues has shaken the government of President Shehu Shagari. Imports have been cut in half since 1981, and food prices have risen 25% in the past year alone. To ease unemployment, the government in January abruptly expelled more than 1 million illegal foreigners who had come to Nigeria from neighboring countries. Up for reelection in August, Shagari is determined to boost oil sales, even if it means getting into a price war with other producers.

Given the financial needs of the poorer OPEC countries, Saudi Arabia has reluctantly accepted the role of "swing" producer, responsible for cutting output enough to match supply with demand. But despite vast reserve assets of $150 billion, the Saudis are running out of room to maneuver. Having already reduced output from 9.6 million bbl. per day in 1981 to 3.3 million now, even the Saudis are facing a potential budget deficit this year, perhaps as high as $20 billion. They may not be willing to tolerate that kind of sacrifice much longer if others in OPEC keep on cheating.

The possibility that OPEC will collapse, causing a sharp break in oil prices, alarms many energy experts. They warn that such a drop could derail conservation efforts, slow development of alternative energy sources and ultimately increase the industrial nations' dependence on imported oil. For that reason, they advocate a tax on oil, or at least on imported crude, to keep energy prices from plunging too far. Said Arnold Safer, president of Energy Futures Group, a Bethesda, Md., consulting firm: "We'd better hold our guard up. We should impose a tax to keep up the thrust of domestic conservation and exploration. If we don't, we could become vulnerable to another OPEC episode."

Besides encouraging conservation, such a tax would help narrow the swollen federal deficit. With that in mind, New Mexico's Republican Senator Pete Domenici has drafted a bill calling for a $10-per-bbl. import fee. In January, the Administration proposed a contingency tax of $5 per bbl. on both imported and domestic oil that would take effect in 1985 if the deficit is still huge. But the White House opposes an immediate oil tax. Said Treasury's Regan: "At this point, I don't think you'd want to increase taxes. We are just coming out of a recession."

An oil tax would have many drawbacks. It would offset the economic gains from lower oil prices. It would fall unevenly on different regions of the U.S. New England for example, uses far more heating oil than other parts of the country. The tax would land heavily on the poor, since they spend a high percentage of their incomes on energy. Finally, unless other industrial nations passed similar measures, American products made with more expensive energy would be less competitive in world markets.

Despite these problems, proponents of the tax say that it is an essential element of national defense. It would be a costly security measure, but so are planes, tanks and battleships. Only an oil tax, its advocates argue, can ensure that OPEC will never climb back into the driver's seat.

For the moment, OPEC's quick recovery seems a highly unlikely prospect. Oil Minister Oteiba seemed to say as much in his minor epic poem. To OPEC members who were threatening the group's unity, he wrote sadly:

My friend, you are misled!
We have greatly argued, until
Our tongues became heavy as lead.

—By Charles P. Alexander. Reported by Jay Branegan/Washington and Bruce van Voorst/New York

Moscow's Capitalist Strategy

As that tall bar on the opposite page attests, the biggest oil producer in the world by far is not Saudi Arabia, or even the Persian Gulf nations combined, but the Soviet Union, which is pumping at the rate of 12 million bbl. per day. The U.S.S.R. is at present also the world's largest oil exporter (more than 3 million bbl. per day), and while most of its oil is sold to Eastern Europe and Cuba, more than 1 million bbl. per day go to Western Europe, and that figure is growing.

TASS FROM SOVFOTO

A Soviet offshore oilfield in the Caspian Sea

The Soviets have a pressing need for foreign exchange to finance purchases of food and technology from the West, and oil exports account for half their earnings of Western currencies. The drop in oil prices, accordingly, has been devastating for the Soviets. Each $1 decline in the price of crude deprives Moscow of $600 million to $750 million of hard currency. To compensate for this loss, the Soviets have been trying to sell more oil to the West. But as every good capitalist knows, one fast way to get sales up is to cut prices still more. Good Communists apparently know this too.

According to Marshall Goldman, a leading Sovietologist and professor of economics at Wellesley College, the Soviets began moving aggressively to increase their world market share as far back as 1981, months before sinking spot prices began to herald the end of the $34 OPEC bench mark. "By late 1981," says Goldman, "the Soviets were becoming cutthroat price cutters." Most of the cutting was done quietly; officially prices stayed in line with those of OPEC.

The strategy worked. Last year, even with Western oil imports falling, Soviet sales to the West rose from 1.1 million bbl. per day in 1981 to a rate of almost 1.5 million by the end of 1982. Goldman believes that Soviet oil exports to Italy doubled. This year, the Soviets let news of their price cuts seep out. The first cut, from $31.50 to $29.35, came in January. Last week, after OPEC announced its new $29 bench mark, word spread that the Soviet Union had cut prices again, to $27.50.

In the long run, the Soviet Union's aggressive pursuit of Western currencies may prove politically expensive. The increase in oil sales to the West has come at the expense of heavily subsidized sales to its East European allies. Further reductions "will be a serious burden to the economies of Eastern Europe," says Richard Pipes, professor of history at Harvard and former Soviet expert on the National Security Council.

For the West Europeans, declining oil prices are in one sense a mixed blessing: the controversial Soviet natural-gas pipeline is much less attractive than before. Among the terms the Europeans granted the Soviets was a guaranteed floor price on 80% of the gas delivered. It was pegged to correspond with the bench-mark price then in effect for OPEC oil: $34 per bbl.

An ESOP Fable

Workers turn into owners

The 6,000 men and women who labor at National Steel's Weirton division in West Virginia produce some of the finest steel and tin plate in the world, about $1 billion worth annually. Even so, the plant lost $50 million in 1982. A year ago, when National announced it would stop investing capital in the plant, Weirton employees feared that management would drastically shrink the operation or shut it down altogether.

To keep that from happening, Weirton's workers and management, along with a representative from the office of Governor Jay Rockefeller, formed a joint study committee. Last week the committee announced the details of a $366 million plan under which the workers would buy the plant through an employee stock ownership plan (ESOP).

The rank and file is expected to ratify the plan in a vote to be held possibly May 1, making Weirton Steel the nation's eighth-largest steel producer and largest employee-owned company. The deal was worked out with the help of the management-consulting firm of McKinsey & Co., investment banker Lazard Frères & Co. and other consultants. Their fees will be paid partly by the townspeople of Weirton (pop. 28,000), who have joined in planning everything from sock hops to telethons to save the plant.

The employees, or technically their ESOP, will take over the Weirton operation for $66 million, plus $300 million mostly for inventories of coal, iron ore and unsold products. For their money, the workers are getting an old plant, built during the early part of the century by Steel Pioneer E.T. Weir, but one that has been modernized over the years; its cold rolling mill numbers among the industry's newest. The plan calls for all workers to own shares of the new company's stock, but details of how much each will get have not been worked out. None of the future shareholders will have to put up any cash.

Most of the $66 million will come from National in the form of a 10% 15-year loan, with no payments on the principal until 1991 and none on the interest until the new company has a net worth of $100 million. The $300 million worth of inventory will also be financed largely with borrowed money.

The debt burden may be less onerous than it sounds. Under the laws covering the formation of companies owned by employees, payments of principal on debt (as well as interest) are deductible from income for tax purposes. Even so, the purchase is far from a free lunch for the Weirton workers. McKinsey's analysis of the Weirton operation concluded that the plant could be profitable, but only if the workers would accept a 32% cut in total compensation; annual salaries and benefits average $35,000 to $40,000, high by comparison with the rest of the steel industry. Says Bob Vidas, 57, a 38-year veteran of Weirton: "It's going to be tough. But we'll be sharing. And maybe in a couple of years we'll get our money back."

The plant in Weirton, W. Va., to be bought by its employees from National Steel

A move to save jobs with telethons, sock hops and a 32% cut in pay and benefits

The plant's current management team, headed by President John Redline, 62, is expected to be kept intact by the new worker-owners, at least for a while. Any new management will be chosen by the company's board. When the employees vote on the deal, they will also be deciding who will sit on that board. It will consist of two members from management, two from the union and six outsiders who will be nominated by Lazard Frères.

National's stock has climbed almost $10, to $23, since the buyout began to look promising last year. Most security analysts view the deal as favorable for National, the fourth largest steel producer in the U.S. Closing Weirton would have saddled the company with $180 million in pension costs, according to one study. About one-third of the workers started with the company at least 30 years ago, which makes them eligible for full retirement benefits. They have chosen to stay on the job anyway. To induce them to vote for the plan, National will assume all pension costs if the new company fails during its first five years.

No one can be sure Weirton will survive under new ownership, and that naturally makes some of the workers edgy. "I'm not saying the plan is going to fail," says Blacksmith Thomas Troia, 57, whose father and four brothers have worked at Weirton. "It may be a perfect thing. But you don't know. You have to go with what you have, not with what may be. I imagine there will be a lot of older fellows going out."

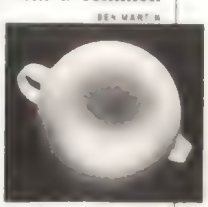
The record of some employee-owned corporations is not altogether reassuring. More than 500 U.S. companies are largely or wholly owned by employees. About 50 or 60 of them, like Weirton, were on the verge of being closed down when they were bought out. Among the largest in recent years have been Rath Packing Co. in Waterloo, Iowa, with sales of $435 million, and bearing maker Hyatt Clark Industries in New Jersey, which had sales of $66 million in its first ten months under employee ownership. Both companies lost money last year. But Corey Rosen, executive director of the National Center for Employee Ownership in Arlington, Va., says that only four employee-bought companies have failed since the early 1970s, when the wave of buyouts began. ■

One from Egypt

Old idea, new contraceptive

After researchers at the Syntex Corp. produced the first oral contraceptive in 1951, the small pharmaceuticals maker grew within a few years into a large conglomerate (fiscal year 1982 revenues: $813 million). A host of other companies has made fortunes supplying what is now a huge U.S. contraceptives market. A small firm in California called V.L.I. hopes to join their ranks with a new kind of contraceptive that is likely to be approved by the Food and Drug Administration within a month.

Invented by Bruce Vorhauer, 41, a biomedical engineer, the new product is a soft polyurethane sponge 5.5 cm wide and 2 cm thick, permeated with a common spermicide, nonoxynol 9, that has been on the market for 20 years. The product combines the barrier aspects of the diaphragm with the principal advantages of the less effective male condom. In tests, the sponge has proved to be as effective as the diaphragm: studies for one year of thousands of women, some of whom may not have used contraception diligently or properly, have shown that both methods prevent pregnancy in 90% of those tested. Like the condom, the sponge is handy to use, and women will be able to buy it with ease and privacy.



Vorhauer's sponge

since no prescription will be required.

Inserted any time up to 16 hours before intercourse, the sponge releases its spermicide gradually, killing and absorbing sperm before they can reach the cervix. Unlike the diaphragm, the device—called Today—stays effective for 24 hours (hence the name) regardless of how many times the user has intercourse, and there is said to be nothing messy or awkward about it. A small polyester loop attached to the sponge makes removal easy. Vorhauer, the president of V.L.I., expects to start selling the contraceptives this fall, at about $1 apiece.

Vorhauer got the idea for the sponge in 1975, when he was an executive with Chicago-based American Hospital Supply Corp. The notion actually dates back more than 3,000 years to the Egyptians, who used sea sponges soaked in citrus juices, which are slightly spermicidal, as contraceptives. When American Hospital showed little interest in Vorhauer's idea, he resigned and set up a tiny office in Newport Beach, Calif. Says he: "My kitchen was my first lab."

Start-up funding of $400,000 from a friend enabled Vorhauer to begin clinical testing in Mexico City in 1977. But when the money ran out, Vorhauer was hard-pressed to keep his company afloat. He recalls one point when he had just $3.50 in the bank. During his seven-year wait for FDA approval, he was inspired by the inscription on a statue of Buddha that stands on his desk: "Those who cannot wait never win."

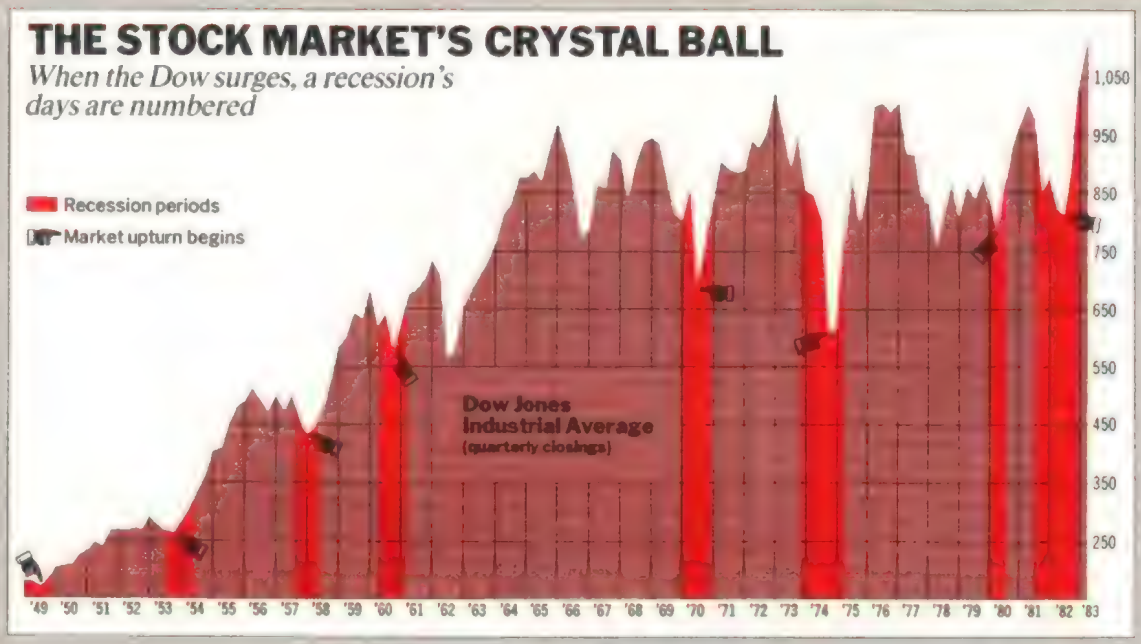
Each time he was almost out of business, an angel appeared. In 1980 a local gynecologist persuaded several fellow doctors to pitch in $500,000. Since then, a $5 million infusion by a group of investors, including Golder Thoma & Co., a Chicago venture-capital firm, and Donaldson, Lufkin & Jenrette's aptly named Sprout Investment Group, has enabled Vorhauer to hire 40 employees. V.L.I. will soon move into a 50,000-sq.-ft. manufacturing facility in nearby Irvine. Vorhauer expects to hire 80 more workers by year's end as production gears up. The United Kingdom and four other countries have already approved Today for sale, though it is not yet on the market. Says Rick Kroon, chief of the Sprout venture-capital operation: "The potential market for the product is tremendous."

Physicians who participated in clinical tests of more than 2,000 women conducted in the U.S. and six foreign countries during the past four years report that the sponge drew few complaints from users. Says Dr. Richard Soderstrom, a partner in the Mason Clinic in Seattle who is also a member of the FDA panel on toxic shock: "There are no systemic side effects, and no risk of infection."

Testing specifically addressed the risk of toxic shock, since some research indicates that barrier devices like the diaphragm may encourage the development of the bacteria believed to cause the deadly illness; Soderstrom reports that the spermicide in the sponge seems to kill the bacteria. Nevertheless, as an added safeguard, the FDA will require a label advising women to remove the sponge within 24 hours to reduce that risk. This is a bonus for V.L.I. Initially the company planned to advertise Today as a 48-hour protection. Before it even hits the shelves, the potential market has doubled. ■

THE STOCK MARKET'S CRYSTAL BALL

When the Dow surges, a recession's days are numbered



With the end of the current recession everything but official, the old adage that Wall Street anticipates economic upturns with a bull market has proved itself true once again. (Most economists now agree that the recession ended in January, though the National Bureau for Economic Research, the outfit that decrees on such matters, has yet to rule it is over.)

The stock market began its rebound last August, when the Dow Jones industrial average started its record-breaking climb from 776 to over 1100. At the time, many economists were still gloomy, and unemployment, at 9.9%, was so high that the excitement on Wall Street seemed almost unseemly. But the simple fact, as this chart shows, is that the market is terrific at predicting the end of recessions.

Upturns in the market have presaged recoveries during all eight postwar recessions (indicated above in red). "On the average, the market is five months ahead of an upturn in the economy," says Barton Biggs, chief portfolio strategist at Morgan Stanley & Co., "and it did it again." Moreover, the market was not fooled last spring, as many economists were, when the economy made a brief uptick, only to sink back into the doldrums.

The Dow has not been nearly as clever at predicting recessions. Sell-offs in 1962, 1966 and 1976 looked ominous, but the economy held up. Says Biggs: "The adage is that the market has predicted nine of the last five recessions."

Teaching laid-off General Motors employees in California how to become machinists

The Growing Gap in Retraining

Millions of jobs call for new skills, but few are acquiring them

Tucked away in the $5 billion public works job bill that President Reagan is expected to sign is a provision that could allocate as little as $75 million for worker retraining programs. That modest sum is a sign of recognition—a lamentably small sign—of one of the nation's most pressing problems

As the U.S. economy sloughs off its declining manufacturing industries and increases its dependence on faster-growing service and technology sectors, an ever widening gap has opened between the new jobs that are being created and the skills of available workers. This skills shortage afflicts not only laid-off workers in fading industries, but also young people just entering the work force and wage earners already on the job. Each segment needs massive retraining. Says Albert Angrisani, Assistant Labor Secretary for Employment and Training: "Everybody, no matter what the occupation, has to understand that the skills they come out of high school or college with are not going to get them through a lifetime of work."

The most visible candidates for retraining are the roughly 2 million so-called displaced workers, many of whom once worked in basic industries. Most have been displaced by new technology or foreign competition, and there are few signs of a letup on either front. Experts have estimated that every year from now on at least 1 million people, and perhaps as many as 2 million, will be similarly displaced. Despite the attention and publicity given older workers laid off by declining industries, their options remain almost unrelievedly bleak

The terrible truth, which few can face squarely, is that the skills that supported these men and women so well for so many years have lost their value in the marketplace. Management Expert Peter Drucker suggests that blue-collar manufacturing is going the way of agriculture in the postwar period: employment will decline markedly even if output rises. By the year 2005, Drucker figures, only 5% to 10% of the work force will be involved in manufacturing, compared with 20% today. That conclusion, striking as it is, is not very controversial. Last week, in a "technical memorandum" that was presented to Congress, the Office of Technology Assessment made these sobering points:

▸ Automotive industry sources say that 1.7 jobs are lost for every new robot

▸ An internal study by General Electric shows that it is now technologically possible for the company to replace half its 37,000 assembly workers with machines, though G.E. is quick to note that it has no plans to do so.

▸ Of firms most likely to use automation, 40% have some form of it, but only 22% are involved in education and training for the new technology

The new jobs being created in the U.S. hold little appeal for former assembly-line workers. According to the Government, the U.S. added 1.6 million restaurant and tavern jobs between 1973 and 1980, more than the current total in the steel (327,000) and auto (666,000) industries. During the 1980s, more new secretaries (700,000), nurse's aides and orderlies (508,000), janitors (501,000) and sales-clerks (479,000) are expected to be hired than workers in any other job categories.

Enticing well-paid workers into retraining programs, even where such instruction is available, is often difficult. General Motors is training laid-off employees at two of its closed California auto plants for high-paying positions in the aerospace and data processing industries. Yet only 1,522 of the 5,400 eligible workers at its Fremont plant have signed up because many think they will be rehired when GM and Toyota begin building small cars at the plant

Another obstacle to retraining is convincing workers that they and their families may have to move to find new jobs. Harvard Economist James Medoff believes that worker re-education must take place where jobs actually exist, because the best training is done by employers who need to hire workers. While Medoff is convinced that business, along with schools and labor, should handle that job, he advocates taxpayer financing of the cost of moving workers. To pay for their relocation, he suggests that a national fund be accumulated from an increase in unemployment insurance taxes.

Even the best program is worthless unless there is something for the worker to do once it is over. Unfortunately, that is seldom the case, as former Rubber Worker Russell Silcox, 56, knows well. He has not held a permanent job in 4½ years despite taking a 40-week course in diesel mechanics and spending six weeks in a Government-funded program making plastic coat hangers. Earlier this month he began a twelve-month training program as a heavy-equipment mechanic. His family of four is just getting by on his unemployment benefits and his wife's nursing-home job.

Far more fortunate in finding beneficial retraining programs are workers with

Steelworkers without jobs study computer maintenance with Control Data in Pittsburgh

The know-how that supported them for so many years has lost its value in the marketplace.

jobs. U.S. corporations spend about $30 billion annually to train new employees and upgrade the skills of wage earners. Digital Equipment, for example, has 1,800 of its 67,000 employees engaged in worker re-education. At the moment 450 Digital repair and installation technicians and administrative personnel whose jobs were eliminated by technological change are being tutored for sales.

Control Data of Minneapolis has been investing in the corporate retraining business for several years. It sells a computer and software system called Plato that lets workers teach themselves skills ranging from high school math to robotics, then follows up with on-the-job instruction. Insists Chairman William Norris: "You can't retrain unless you use computers. It costs too much for small companies otherwise." Control Data's effort has yet to pay off, but the company hopes Plato will be in the black next year.

One of the most dismaying situations prevails at the entry level to the work force. Many young people just out of school have a stunning lack of basic proficiencies. In Delaware, students can graduate from high school with just a single credit in math and science. A different problem exists in higher education, where colleges and universities have been unable to beef up their engineering and electronics faculties fast enough to meet the demand. According to Pat Choate, a senior policy analyst at TRW Inc., the shortage of new engineers amounts to probably 40,000 a year, and there is also a scarcity of computer programmers and systems analysts. Says Choate: "We have got to make sure that the college offerings meet the projected needs of our society."

The Federal Government has hopes for the $3.5 billion Job Training Partnership Act, which begins Oct. 1. Seventy percent of its funds will go toward instruction. During its first year, the new act is expected to provide training for 1 million disadvantaged youths and adults as well as 100,000 displaced workers.

This latest Government effort, however, is merely a Band-Aid solution, and Government money cannot supply anywhere near the whole answer anyway. As far as technology and automation are concerned, suggested the Office of Technology Assessment in its report last week, "there is little evidence that any sector—including private industry—is seriously considering the long-range implications." The implications of that message are weighty, and the sooner they sink in, the better. ***—By Alexander L. Taylor III. Reported by Gisela Bolte/Washington and Sara White/Boston***

Freebie for the Rich

Even in a world of "buy one, get one free," the full-page New York *Times* ad was an eye-catcher. The deal: buy an apartment in the Viscaya, a new luxury high-rise on Manhattan's swanky East Side, and drive away in a free 1983 Rolls-Royce Silver Spirit. "If you already own a Rolls," continued the ad, "we can discuss alternative options."

The Viscaya is what real estate agents like to describe as "very special." Maybe a little too special. The two-bedroom units in the pencil-thin tower start at $582,500 and go as high as $1.2 million. They come complete with spectacular views, small kitchens (who cooks?), marble baths with Jacuzzi whirlpools and a roof garden for parties. Owner Harold Lynn, 45, a one-time Seventh Avenue clothing importer, admits that the Rolls come-on amounts to a $110,000 discount to perk up sales (twelve of his 21 units are unsold).

The promotion seems to have worked. The ad brought sightseers, who gawked at the Silver Spirit parked out front, and at least two serious potential purchasers. But while one wants the Rolls, the other asked for a cash discount instead. Perhaps it was the car. The Silver Spirit, notes Rolls-Royce Spokesman Reg Abbiss, is "the bottom of the line."

No Parking

Don't take your Datsun when you go to visit Richard Moe, chairman of Delta Rubber Co. in Danielson, Conn. Moe's company makes seals for the ball bearings used in American-made autos, and the Japanese invasion of the U.S. market bothers him. Now he has decided to stop it the only place he can: at the edge of Del-

ta's parking lot. Since Jan. 1, suppliers arriving in Toyotas and their ilk have had to look elsewhere for a space. The only exception: Delta employees who already owned Japanese cars, but no 1983 models, please.

Moe says that the last straw came when he arrived at a wedding reception last year and found Japanese cars in all the parking places. That helped provoke him to impose the ban. As he puts it, "It's time Americans supported Americans. The job you save may be your own." Delta workers are understandably sympathetic to Moe's logic, so much so that more and more of them are dropping by local showrooms to see what Detroit has to offer. Moe drives a Chevrolet Corvette, but he admits, somewhat sheepishly, to owning a twelve-year-old Sony TV. If it ever wears out, he'll buy American. Meanwhile, Moe's philosophy gives no quarter to visitors like the copy-machine repairman who groused about having to park by the Little League field across the street. Said Moe: "If he doesn't like it, let him walk."

The ABCs of Travel

The idea seemed as simple as A B C. Republic Airlines introduced a new promotional scheme in January, hoping to lure more passengers during the slow, off-peak season. Under the plan, travelers taking the Minneapolis-based carrier from one smallish city (A) to another (C) via a large hub town like Atlanta (B) before March 30 would earn a free pass for a round trip to any of 63 destinations. The passes are good until June 10.

A few weeks ago, a travel agent found an extra bonus in the plan. A customer wanted to fly 140 miles from Valdosta, Ga., to Dothan, Ala. However, the $54 flight includes a stop more than 200 miles from either town, in Atlanta. Bingo! That meant a free pass to California. Word spread fast. The resulting stampede to Dothan included one high school senior who booked ten seats for himself and nine classmates so that they could take a trip after graduation.

Soon people across the country were plotting other short trips to earn free rides. Several Californians even paid $150 apiece, plus carfare to and from airports, and spent a day flying from Sacramento (A) to San Francisco (B) to Phoenix (C) to collect free passes to New York City. That seems excessive when some airlines still offer a $198 round-trip coast-to-coast fare and passengers do not have to fly anywhere else to qualify. Republic officials are not sure what all of this is going to cost, but they think it was worth it. Says Spokesman Redmond Tyler: "The campaign has brought more nationwide attention than ad dollars can buy." And places like Dothan are seeing more strangers in town than even the most energetic Chamber of Commerce could rustle up.

Confucian Work Ethic

Asian-born students head for the head of the class

When the Westinghouse Science Talent Search named its top achievers this month, the announcement was yet another instance of a growing national trend. Grand Winner Paul Ning, 16, is not a native-born American. The son of a Taiwanese diplomat, Ning came to the U.S. at the age of three. By eleven, he was constructing a simple wind tunnel to study the relationship between velocity and pressure. Now a senior at the elite Bronx High School of Science in New York City, Ning feels, "You have to be aggressive in your studies to really understand what you're doing." Adds his mother: "He always tries to prove to us and to himself that he is the best."

Paul Ning is part of a phenomenon obvious to any American who has not been glued to his Sony for the past decade: Asian Americans are only about 1.5% of the U.S. population, but what they lack in numbers they make up for in achievement. Out of 40 Westinghouse finalists, nine were born in Asia and three others were of Asian descent. Some 10% of Harvard's freshman class is Asian American. While no more than 15% of California high school graduates are eligible for admission to the University of California system, about 40% of Asian Americans qualify.

Experts are uncertain about the reasons for high Asian performance. William Dean, who directs special programs in Fort Collins, Colo., where there are 150 Asian-born students, observes that whatever the students' verbal skills, "there is a universal language available in mathematics." The Asians speak it fluently. The national norm for math on the Scholastic Aptitude Test is 467 out of a possible 800. In 1981, Asian Americans averaged 513. In California a remarkable 68% of Japanese-born students scored over 600, as did 66% of students born in Korea.

Some attribute the academic success of Asians to a genetic superiority. In his controversial study last year, British Psychologist Richard Lynn claimed that the Japanese score eleven points higher on the Wechsler IQ test than the American average. Their superior performance on tests of block designs, mazes and picture arrangement, however, may be related to the early study of the complex ideograms that compose their alphabet.

Most educators believe that Asian scholastic achievement has more to do with nurture than nature. They argue that Asian immigrants are accustomed to a more rigorous schedule; the Japanese, for instance, attend school 225 days instead of a typical U.S. schedule of 180. Many Asian-American children have well-educated parents. James Blackwell, a sociology professor at the University of Massachusetts in Boston, believes that high Asian income levels may account for above-average math performance, since parents are able to send their children to better schools and give them such home aids as learning toys and computers. Most Asians regard education as the best avenue to recognition and success. Bronx Science Principal Milton Kopelman is reminded of "the youngsters who came out of the homes of East European immigrants several decades ago. There is pressure to work, and there is also great respect for education." Sociologist William Liu, who directs the Asian-American mental health center at the University of Illinois' Chicago campus, stresses the importance of cultural conditioning. "In the Confucian ethic, which permeates the cultures of China, Japan, Viet Nam and Korea, scholastic achievement is the only way of repaying the infinite debt to parents, of showing filial piety."

This binary respect for education and elders spurs on Asian students. At Chicago's Lane Technical High School, for example, there are few disciplinary problems with the 15% of the student body that is of Asian parentage. Says Principal Norman Silber: "Our Asian kids have terrific motivation. They feel it is a disgrace to themselves and their families if they don't succeed." The results bear him out: between 40% and 50% of pupils in Lane Tech's advanced-placement math classes are of Asian background, and two of the school's four National Merit Scholarship winners so far are Asian. Says Silber: "The parents are on the school's side."

That parental push has its grim aspects. Observes Liu: "Mental disturbance and even suicide attempts are not uncommon side effects of the intense pressure Asian students feel in the U.S. Not studying hard brings deep guilt." And the single-minded dedication that Asian Americans invest in studying often puts them at odds with their peers.

But for many Asians, stress is the price of survival. Nearly half the 160 Vietnamese students at Brighton High School in Boston left their families in Viet Nam or in refugee camps. These immigrants must learn English at school in bilingual programs. In a Brighton chemistry class, Teacher Dang Pham lectures about *the dac, the long* and *the khi* before discussing the concepts of solid, liquid and gas in English. When test time comes, most students choose to take the test in English. Says Pham: "They have to learn to adjust to a new system in a new society so they can help themselves and their families." Out of 83 students on the honor roll at Brighton High, 56 are Vietnamese. All 32 Vietnamese members of last June's graduating class went on to college. Thanh Tran, 19, who left his parents and eight siblings in Viet Nam three years ago, earned a scholarship to Boston College, where he is studying math and computer science. "I came here just for learning," he says. "Every single day I try so hard because I want to help my parents some day. I don't care so much about friends." ***—By Ellie McGrath. Reported by Patricia Delaney/Chicago and Adam Zagorin/New York***

Paul Ning, front, who took top Westinghouse honors, with award-winning classmates

Achievement as the only way of repaying the infinite debt to parents.

JONATHAN ATKIN

AIDS victims (center, facing camera) at meeting of the Gay Men's Health Crisis in New York

Battling a Deadly New Epidemic

Some experts feel AIDS will strike beyond the gay community

Six months ago, Jack's future seemed boundless. The son of a Midwestern minister, he was bright enough to have won a scholarship to an Ivy League school and to have graduated with a degree in Russian. A natural athlete, Jack had played both college football and basketball and, at 31, maintained his 6-ft. 2-in., 190-lb. frame in perfect trim. Possessed of a ringing baritone, he was poised for a career in opera. Then, early last year, the glands in his neck became swollen and remained so for months on end. By summer, two small dark spots had appeared on his legs. At the urging of a friend, Jack, a homosexual, went to a doctor. The swollen glands were a sign that his immune system was depressed; the penny-size leg spots were Kaposi's sarcoma (KS), the so-called gay cancer. During the next half-year, Jack (not his real name) began chemotherapy and struggled against a series of infections. In the process, he lost 30 lbs., all of his hair, most of his hearing and, because of chronic irritation to his throat, his voice. He is still hanging on.

Jack is one of 913 people across the U.S. battling against the deadly new syndrome known as AIDS (Acquired Immune Deficiency Syndrome); 228 others have already succumbed. First fully described in 1980, the disease destroys the immune system, leaving its victims prey to all manner of viruses and bacteria. Cancer, particularly KS, is a major threat, as is *pneumocystis carinii* pneumonia, a singularly lethal ailment. The survival rate after two years of AIDS: less than 20%. Last week, at New York University Medical Center in Manhattan, 300 doctors gathered to exchange notes on the phenomenon. The bad news: "We are at the horizon of a new epidemic, rather than at the peak," says Dr. James Curran, director of the AIDS task force at the Centers for Disease Control (CDC) in Atlanta. Half the known cases of AIDS have been diagnosed in the past six months, and the number of new cases has been doubling every eight to twelve months. Says Curran: "We are no longer acting like a quick solution is just around the corner. This epidemic will be with us the rest of our lives."

The big question in AIDS is who will be affected next. So far, the disease has mostly stricken homosexual men (72% of all cases), intravenous drug abusers (17%), Haitian immigrants (4%) and hemophiliacs (1%). But a majority of the experts believe that what was once known as the "gay plague" will enter the general population. Because of their frequent contact with AIDS patients and blood, "hospital workers will be next," predicts Dr. Roger Enlow, a leading AIDS researcher. As head of New York City's brand-new office of gay and lesbian health concerns, Enlow monitors new cases of AIDS and refers them to various support groups.

AIDS DEATH TOLL

Time diagnosed	Number of cases	Still alive as of mid-March '83
1st half 1979	1	0
2nd half 1979	6	0
1st half 1980	18	4
2nd half 1980	25	2
1st half 1981	69	17
2nd half 1981	146	45
1st half 1982	286	174
2nd half 1982	464	362
1st qtr. 1983	161	141

Source: Centers for Disease Control

To determine the future progress of the epidemic, the CDC has launched an intensive investigation into the 6% of the victims (69 men, women and children) who do not appear to fit into any of the at-risk categories. About a third of these people "will remain unknown," says Curran; they died before CDC investigators could question them. But five are women whose husbands or lovers are drug addicts, suggesting that AIDS may be transmitted through heterosexual relations. Should that prove to be true, female partners of bisexual men are also at risk. Indeed, says Curran, one such woman has now developed the persistently swollen glands that often presage AIDS.

Children of drug addicts and bisexuals seem to be another vulnerable group. Among the unclassifiable 6% are several children born to addicted parents. Pediatric Immunologist Arthur Ammann of the University of California at San Francisco has presented the most compelling evidence of parental transmission of AIDS: a 30-year-old, drug-addicted prostitute whose four daughters all developed symptoms of the immune disorder. The fact that each baby had a different father and that the mother has no sign of a hereditary disease suggests that the cause was not genetic. "Our only option is an infectious cause," says Ammann, who notes that the mother now shows early symptoms of AIDS. Ammann suspects the disease can be transmitted through the placenta.

The most widely feared route into the general public is through blood transfusions. The specter of contaminated U.S. blood banks was first raised early last year when AIDS began to be diagnosed in hemophiliacs. The nation's 20,000 hemophiliacs are uniquely vulnerable to blood-borne diseases because they depend on vast quantities of a blood byproduct to control their bleeding. A year's supply of the substance, known as anti-hemophiliac factor concentrate (AHF), comes from the blood of 25,000 to 75,000 donors. In the past year the CDC has also received alarming reports of about eight cases of suspected AIDS in nonhemophiliac blood recipients. Four cases had received donor blood after open-heart surgery; a fifth was a hysterectomy patient. In a sixth case, that of a baby in San Francisco who had required several transfusions, some of the

Sand Castles

Vancouver British Columbia

Shoreside cities with clean, uncrowded beaches. Dine with the ocean as a backdrop. Take a cable car from the city straight up to a mountain top. One of the most breathtaking views on the continent. So much to see, you won't want to leave. Come on up.

Canada

For information write to Tourism British Columbia, 1117 Wharf Street, Victoria, B.C. V8W 2Z2
Tel: (604) 387-6417 or (604) 387-1642

Great Explorations

Ste-Anne Province of Quebec

Streams teeming with trout. Forests of balsam and pine. Picturesque French Canadian villages just around the bend in the river or road. Family resorts a short drive from the city. Come on up.

Canada

For information write to Tourism Québec, P.O. Box 20,000, Province of Québec, Canada G1K 7X2

Medicine

donated blood came from a man later diagnosed as having AIDS.

Reports of these cases led the U.S. Public Health Service to take action earlier this month. In a move encouraged by the American Red Cross and the National Hemophilia Foundation, the PHS urged that "as a temporary measure," members of high-risk groups for AIDS "refrain from donating blood." Blood centers around the country are now informing donors of this recommendation and discreetly inquiring about their sexual and drug habits.

The new regulations, and much of the scare in general, are built on the notion that AIDS is caused by a transmissible agent. In fact, despite three years of research, there is no direct evidence that such a bug exists. CDC researchers have searched for a new virus with electron microscopes. They have injected laboratory animals with samples of virtually every

Searching for clues in patients' blood

"No quick solution just around the corner"

body fluid and tissue from AIDS patients, including semen and blood. Not one animal has come down with the disease. Reports last month that a University of California monkey colony had contracted an AIDS-like disease brought hope to many that an animal model had finally been found. In fact, the monkeys had been contracting similar symptoms since 1969, there may be no connection with AIDS.

Although Curran and the CDC maintain that a new agent is the most likely explanation for the epidemic, many other scientists disagree. "They've gone overboard," says N.Y.U. Microbiologist Alvin Friedman-Kien. "There are any number of possibilities." Friedman-Kien favors the theory that AIDS is caused by a combination of factors, perhaps including a new agent. "It is likely that there is a genetic predisposition," he says, since, according to one study, 63% of AIDS patients with KS have a tissue type that occurs in only 23% of the general population. Many researchers believe that a history of multi-

ple venereal diseases and other infections plays a role in suppressing the immune system. Such a history is characteristic of sexually active gay men and may help explain why they are prone to AIDS.

The blood-related cases, which represent some of the strongest evidence for the transmissible-agent theory, were sharply challenged at last week's conference. There is evidence that the blood byproduct AHF might cause immunosuppression in hemophiliacs, says Dr. Joseph Bove of Yale University. The substance has been available only since the early 1970s, which may be why an AIDS-like reaction is turning up now. As for the transfusion cases, Bove pointed out that except in one instance, "We have been unable to make a definite connection between a recipient with AIDS and an infected donor." Said he: "I cannot conclude that the nation's blood supply is contaminated."

The bottom line and the conclusion of virtually every speaker at the conference was that further study is needed. Said Dr. Lewis Thomas, noted author and researcher: "What we learn about Kaposi's sarcoma in AIDS will be useful for the study of cancer in general." Yet, some scientists complain, the National Institutes of Health has been dragging its heels about awarding $4 million set aside for AIDS research. "It's a disgrace," says Dr. Michael Lange, of St. Luke's Hospital in New York City.

The lack of funds has also embittered the gay communities of San Francisco, New York City, Los Angeles and Miami, where the epidemic is concentrated. Says Donald Currie, manager of San Francisco's KS hotline: "If the same number of Boy Scouts had been dying of this, there would have been a hell of a lot more money for research."

For their part, gay leaders have responded to the epidemic with energy and organization. Health-advisory services, hotlines, lobbies and fund-raising groups have sprung up in eleven large cities. Support groups have been formed to meet the emotional needs of frightened patients. Alarmed by the association of AIDS with promiscuity, many homosexuals are radically altering their life-styles; some are even turning to celibacy.

In what is perhaps the most dramatic effort to raise money and bring attention to the epidemic, an organization called Gay Men's Health Crisis has bought all the admissions for the April 30 performance of Ringling Brothers and Barnum & Bailey Circus in New York's Madison Square Garden. By reselling the tickets at a profit, the group hopes to raise $200,000 for patient support and research. "It will be the largest number of gay men ever under one roof," says Novelist Larry Kramer, co-founder of the group. Few individuals have a more sober appreciation for what is at stake. Says Kramer: "I have lost 21 friends in the past 18 months; another 30 are seriously ill. It is a tragic thing that is happening." —*By Claudia Wallis. Reported by Mary Carpenter/New York and Dick Thompson/San Francisco*

The Sunny North

Beckwith Island Ontario

Parks, cabins and grand resorts on endless lakes with thousands of islands. White water canoeing. Fishing, hiking and exploring the countryside. As near or far away from city life as you choose. Come on up.

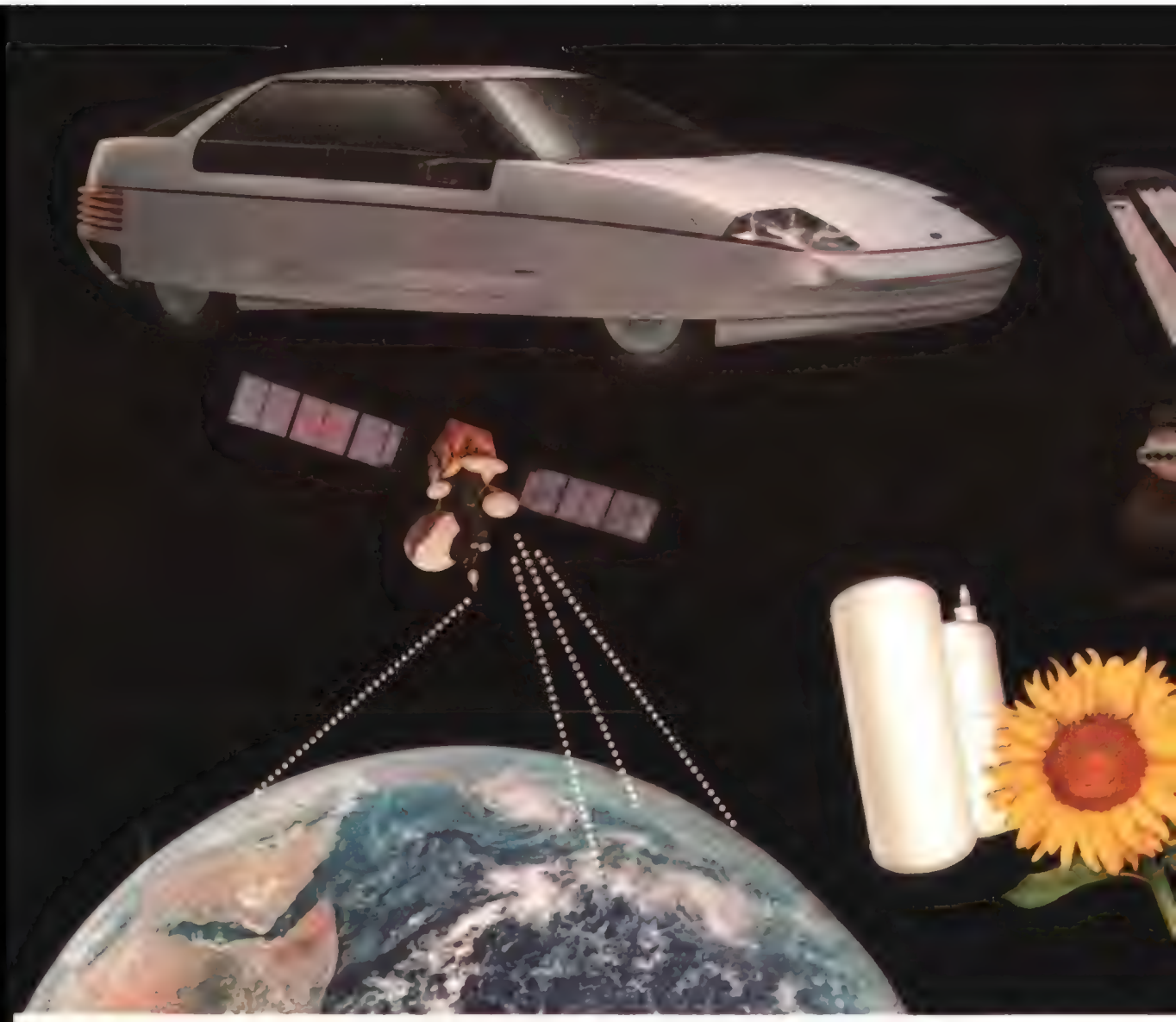
Canada

For toll free information on Ontario call 1-800-828-8585. N.Y. residents call 1-800-462-8404

Ask For More

Just write to us and we'll send you our information-packed 40 page, full colour Canadian vacation magazine. Simply print your name, address and zip code and mail to the Canadian Government Office of Tourism, P.O. Box 1159 (0069) Glenview, Illinois, 60025. We'd like to see you this summer. So, come on up.

Canada



No Other Company In The World

- *Aerospace*
- *Communications Satellites*
- *Alternative Fuels*
- *Electronics*
- *Automotive Manufacturing*
- *Experimental Engineering*
- *Aerodynamics*

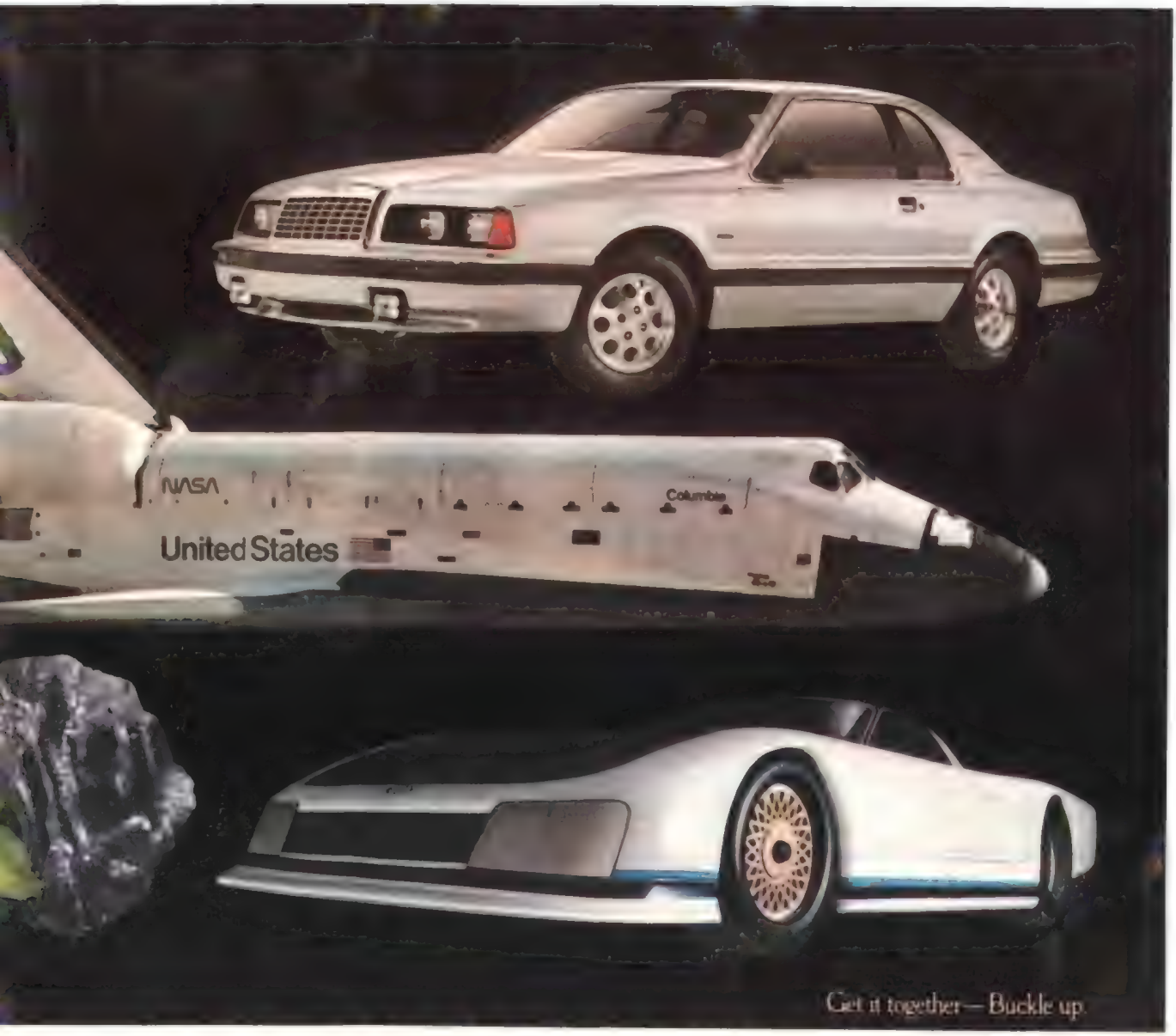
Ford Is A Leader In All These Technologies.

Soon, two-thirds of all overseas communications and almost all intercontinental television programming will travel by satellites built by Ford Aerospace & Communications Corporation.

Our technology helped guide the Columbia space shuttle home, and bring back pictures from Saturn.

Ford is the leader in alternative fuel technology; fuels which can be derived from abundant organic matter, coal, and natural gases.

Our newest electronic brain takes the



Can Make This Statement.

automobile to a new level of sophistication. It saves fuel and improves and refines total driving performance.

We're building a laboratory on wheels, a prototype vehicle made almost entirely of a graphite fiber reinforced plastic, that's lighter than aluminum, stronger than most steel.

We've designed the most aerodynamic passenger car in the world. The incredible Probe IV. (Cd .15)

Being a leader in all these diverse technologies can pay immense dividends for a company whose main pursuit is building cars, trucks, and tractors.

It gives us invaluable knowledge and insight, enabling us to build more sophisticated and efficiently performing vehicles. And staying on the leading edge of these technologies not only helps us build better vehicles today, but it assures that we can and will build better vehicles tomorrow.

Ford

There's A Ford In America's Future.

Warring over Where Donations Go

Major churches fend off accusations of political partisanship

For months national leaders of old-line liberal Protestant churches have feared that what amounts to a counterrevolutionary civil war is about to break out among their flocks. They have good cause for concern. In the most thoroughgoing attack since these churches were daubed with a pink brush during the McCarthy era, conservative critics have mounted an anti-Establishment research-and-destroy campaign. Their charge: collection-plate donations are being misused by Protestant officials and agencies who have become unduly partisan on behalf of left-wing, even Marxist, causes.

By last week, the grass-roots questions had begun to affect Protestant institutions directly. At a closed-door meeting in Atlanta, President Finis Crutchfield and other executives of the Council of Bishops in the huge United Methodist Church took the unusual step of scrapping the agenda for the hierarchy's May meeting. Instead it will consider a demand that the church investigate whether church offerings are supporting questionable programs.

The insurgents' assault intensified dramatically in January with a media one-two punch. First came a piece in *Reader's Digest* (circ. 17.9 million), then a broadside from the top-rated CBS-TV show *60 Minutes* (audience: 22.9 million households). In a scene that Protestant leaders were to denounce as unrepresentative, cameras panned a Methodist church in Logansport, Ind., and Correspondent Morley Safer intoned that members had discovered that some collection-plate money was being spent "on causes that seem closer to the Soviet-Cuban view of the world than Logansport's."

Both reports relied heavily on evidence supplied by a small, neoconservative group called the Institute on Religion and Democracy, which set off the present furor (*see box*). Last week the I.R.D. produced a 100-page booklet with more documentation for its sweeping claim that the foreign policy activity of many Protestant agencies "often leans in some significant ways toward the Marxist-Leninist left."

The conservatives' main targets are the National Council of Churches, whose president is United Methodist Bishop James Armstrong, and the national bureaucracies of the council's key member denominations, particularly the Methodists and the United Presbyterian Church.*

From their shared New York City headquarters, the "God Box" to insiders, the accused Protestant agencies have fought back with a barrage of publicity, defensive polemics and at least 36,000 explanatory packets sent to local church leaders. N.C.C. General Secretary Claire Randall admits no serious mistakes in the council's political judgments and believes the attacks result from "our firm and unwavering adherence to Gospel as our churches interpret it." Says the Rev. Randolph Nugent, who runs the Methodists' Board of Global Ministries: "Our only bias is toward the Gospel of Jesus Christ, not any political system. Jesus Christ and the Gospel do have a bias toward the poor."

In their rebuttals, Protestant church spokesmen have scored some telling points. For instance, it is true that substantial church money went to a Nicaraguan government literacy campaign that was suffused with revolutionary propaganda. But in its show, CBS omitted the fact that the U.S. Government has supported the same program with far more cash than the churches sent.

But much of the argumentation skirts the core questions: What is the political line of secular groups that receive Protestant funding? Do the churches take enough responsibility for the political activities of these groups? Have in-house church programs and pronouncements shown a leftist pattern? The situation is complex, but there is some fire behind the acrid smoke. Items.

▸ The N.C.C. says flatly that its money goes only to church agencies and "is not given to political organizations." Actually, it has funded a number of secular groups that are unarguably political, and one-sidedly so. One recipient is the North American Congress on Latin America. Unapologetically leftist, it hardly ever finds anything to criticize in Cuba or Nicaragua. Two other groups funded by the churches helped set up the Washington-based Committee in Solidarity with the People of El Salvador, a totally uncritical support group for the partly Marxist guerrilla forces in that nation. Shrugs one of its officials: "In a war, innocent people get killed. We've picked a side. It's not our place to comment on how the people in El Salvador are fighting."

▸ The N.C.C. points to three resolutions on Soviet religious repression in the past six years to prove it is not soft on Communism. But the N.C.C. aids Christians Associated for Relationships with Eastern Europe (CAREE, in turn, is a U.S. coordinator for the Prague-based Christian Peace Conference, a Kremlin mouthpiece so shameless that it supports the Soviet occupation of Afghanistan.

▸ The N.C.C. denies the charge that it has funded Communist governments. But it has in fact channeled material goods to the Viet Nam regime in order to help peasants. While that is the only way to operate in the totalitarian country, N.C.C. statements consistently ignore the fact that the "new economic zones" it supports are part of an oppressive political pattern. Churches would never be so shortsighted in treating, say, South Africa.

BOB SACHA

N.C.C. General Secretary Randall in her office

Bishops' President Crutchfield

N.C.C. President Armstrong

Do Protestant leftists run the God Box?

*The N.C.C. is made up of 32 member denominations that include 36.6 million Protestants, 52% of the U.S. total. Annual budget: $44 million.

In the din of charge and countercharge it is sometimes hard to remember that this is a very large battle over very small sums. The bulk of the $115 million a week collected by N.C.C. member churches goes to good works, and even in the modest portion of the budgets dealing with political controversy, only a fraction goes to disputed causes. But Theologian Carl F.H. Henry, an I.R.D. board member, observes, no doubt accurately, that many Protestants object to helping Marxists with even a single penny: "It's like virginity. You don't lose it in percentages."

Such conservative distress is not new. A longtime target of complaint is the World Council of Churches, to which many major U.S. denominations also belong but which is separate from the N.C.C. For 13 years the W.C.C.'s Program to Combat Racism has given regular grants to African guerrillas fighting to overthrow repressive white regimes. The W.C.C. says it does not "pass judgment on those victims of racism who are driven to violence as the only way left to them to redress grievances." The money is intended for welfare, not arms, but churches do not monitor how it is spent. It is this willingness to blink potential excess in the sunny glow of the social gospel that has caused so much trouble for the W.C.C., and now the N.C.C. Such blinks disturb Christians who view Marxism as the world's gravest long-term threat to human rights.

Many of the Protestant agencies now under attack do not seem to be greatly concerned with that threat. Next week the *United Methodist Reporter*, the church's most influential newspaper chain, will begin reporting on its own exhaustive N.C.C. investigation; among other things, it found an overwhelming pattern of left-wing political bias in hundreds of N.C.C. political statements over the past five years. Even James Wall of the liberal *Christian Century* magazine says council staffers often supply answers "filled with romantic revolutionary rhetoric. Mistakes of the left are either not seen or, as one person put it to me, 'We can't afford to indulge in that kind of criticism as long as people are oppressed anywhere in the world.' "

The critics do not question that honorable or holy men can hold such opinions. But, argues I.R.D. Spokesman Richard John Neuhaus, the church has a responsibility to maintain "a zone of truth which represents the full range of morally serious reflection." And the leftist thrust of the Protestant activists has not won the status of a moral truth. Says Methodist Bishops' President Crutchfield of those who want to rein in the God Box: "This is not merely a right-wing attack. These are people who believe in Christians' being involved in the life of the world. They just don't want the church to come down on the side of the Communists." —*By Richard N. Ostling. Reported by Jim Castelli/Washington and Adam Zagorin/New York*

The Little Institute Facing Goliath

The United Methodist Church, which has lost 1.4 million members since 1968, would normally welcome most converts. But its leaders must rue the day in 1979 when David Jessup, who had become a religious dropout in college, decided to join the Marvin Memorial Church of Silver Spring, Md. Jessup, 42, who works with the AFL-CIO's Committee on Political Education, began to have questions about organizations that received Methodist funds. The end result of his curiosity is the Institute on Religion and Democracy, which, though small, can justly claim credit for the present furor over Protestant politics.

The I.R.D.'s success is a classic of neoconservative activism: adroitly gathering synergistic boosts from like-minded groups and individuals, the institute has prepared a number of hard-hitting research reports. Rather than submitting them to obscure academic journals, it has sought the interest of media outlets like *Reader's Digest* and CBS's *60 Minutes* to give its conclusions mass exposure.

For a group accused of right-wing bias and "McCarthyism," the I.R.D. has some leaders with unexpectedly left-wing backgrounds. Founder Jessup joined the early Berkeley free-speech movement, and later the Peace Corps as well as black-voter-registration and labor-organizing campaigns. But even in his radical student days he was strongly anti-Communist. In 1980 he and his wife, in what became known as the Jessup Report, totaled up $442,000 in Methodist moneys aiding groups he judged to be Marxist or totalitarian, and sent the list to the denomination's financial overseers.

BEDFORD TAYLOR

I.R.D.'s Kemble, Robb, last week at press briefing

Through his campaign Jessup met folksy Texas Evangelist Ed Robb, 56, a conservative Democrat and a leader in Good News, an evangelical caucus that had long criticized Methodist agencies for overplaying social issues. Good News promoted Jessup's charges in its publications. A few months later, Jessup and Robb set up the I.R.D. in Washington, D.C., to monitor political activity by various denominations. They enlisted a credibility-building board of advisers whose 28 members range from socialist to right-wing on domestic issues but are pro-U.S. on foreign policy.

The current full-time I.R.D. staff consists of only five professional researchers and administrators and five clerical workers. Following Jessup's lead (though he is now less active), they sift through mind-numbing denominational documents, ferreting out damaging quotations, grants and linkages, especially in the foreign policy field. The I.R.D. now issues a monthly bulletin, topical pamphlets and special publications like last week's 100-page response to critics in the Protestant Establishment, and it answers a growing flood of press and lay inquiries (2,500 since the CBS show). The key researcher is Presbyterian Kerry Ptacek, a onetime member of the Students for a Democratic Society. He says now that "a crisis in my own spiritual life had led me to leftist totalitarian politics." His present work is a reaction against that earlier commitment.

Robb is the institute's board chairman, but the group has no director as such. The top day-to-day tactician is a part-time consultant named Penn Kemble, 42, who, like Jessup, is a member of Social Democrats U.S.A., which is socialist but vehemently anti-Communist. He brought organizational and political talent to the I.R.D. and helped establish the organization's original financial structure. As executive director of a foundation formed by anti-McGovern Democrats after the 1972 election, Kemble took the newborn I.R.D. under his foundation's wing, providing entirely legal tax-exempt sponsorship until the institute became independent last fall. The two organizations still have adjacent offices. With a mere 1,000 dues-paying members, most of the $475,500 in contributions to date has come from the Scaife Family Charitable Trusts ($300,000) and the Smith Richardson Foundation ($146,000), both practiced supporters of influential neoconservative groups. The I.R.D. furiously denies rumors disseminated by a top ecumenical leader that South Africa is also providing funds. In the battle for the hearts and minds of mainstream Protestantism, such a connection would be the kiss of death.

Essay

The Odd Pursuit of Teaching Books

Douglas Bush died on March 2 at the age of 86, after 46 years as professor of English literature at Harvard and a life of devotion to *Paradise Lost*. The obituary in the New York *Times* made him out a gentle crank, quoting a complaint of Bush's that too many students attend universities these days, and thus cannot be adequately educated—the sort of hackneyed wail that Bush himself would never have dwelt on or even considered right plucked from a greater, kindlier context. Bush's world was the greater, kindlier context. Like Samuel Johnson he knew everything worth knowing. Like Johnson, too, he was born to teach books. Few people are. It is an odd pursuit. Literary study stands at the center of modern education, but when one tries to determine what happens in the relationship among book, student and teacher, the teacher grows shadowy, eventually vanishes.

Of course, teachers of every subject suffer from obsolescence, that being almost a tool of the trade if one's students are to build on what they learn, even to the point of rejecting it at the onset of independent thinking. Good teachers yearn to be obliterated. Good teachers of literature have little choice in the matter. The *Hamlet* they pry open for the 19-year-old will not be the *Hamlet* that student reads at age 50. The play will have changed because the reader's experience will have recast it—the noble, tormented boy of one's youth reappearing in middle age as something of a drip.

But even at the moment that a teacher of literature is doing his job, the work is hard to put a name to. What precisely is it that you did, Professor Bush? Every teacher knows the boredom and terror of that question. A teacher of French teaches French, a teacher of piano, piano. But a teacher of Proust, Austen, Donne, Faulkner, Joyce? Are not the writers the teachers themselves? Oh, one can see the need for a tour guide now and then: notes, terms, some scraps of biography. But surely the great books were written for people, and if they require the presence of middlemen, then they could never have been so great in the first place. So goes the cant.

In point of plain fact, a teacher of literature may do several quite different things, especially these days when universities house their own schools of thought on the subject. Some teach the formal aspects of literature, some the sociology of literature, some the politics. There are those who teach because literature tells them what it means to be human; others who hold that literature means whatever one wishes it to mean; still others who say it means nothing at all. Defenders of each fort sometimes make the newspapers, where, in argument with one another, they sound like crazed religious warriors. In a sense, the answer to "What do you do?" is "This and that." And it may be that just as there are books and books, so are there various ways of apprehending them, and thus no core of the subject to teach.

Still, something central seems to be conveyed in the teaching of literature beyond a particular point of view, something in the attitude of the teacher toward both his students and the books: his concentration, his appreciation, occasionally his awe. Awe can be a powerful pedagogical instrument, the sight of someone overwhelmed overwhelming by refraction. True, the relationship of teacher to the work of art is that of a middleman, but in the best circumstances the middleman becomes a magnifying glass ("Do you see *this?*"). Instead of intruding between Yeats and his reader, he shows Yeats in the light, reveals not only poetry but how poetry comprehends the world, thus lending his students the eyes of the poet. At full strength, the teacher is an artist himself, and not just for restorations. Treating the book as an event, he manipulates it the way the writer manipulated reality, making of literature what the writer made of life.

Curiously, this high point is precisely where the question of the teacher's usefulness sometimes turns bitter. A book says something ennobling; a teacher makes that clear. It ought to follow that students are ennobled, but the opposite often occurs. In his essay "Humane Literacy," George Steiner brooded, "We know that some of the men who devised and administered Auschwitz had been taught to read Shakespeare or Goethe, and continued to do so. This compels us to ask whether knowledge of the best that had been thought and said does, as Matthew Arnold asserted, broaden and refine the resources of the human spirit." One might wonder why a teacher of literature should worry about being unable to regulate moral actions, when no such self-recrimination haunts the teacher of, say, physics. But a work of literature, unlike a physical law, has moral content to begin with, and the teacher's inability to transfer that content may seem either a failure of his own understanding or a basic flaw of the craft.

What concerns such a teacher, the scrupulous teacher, is that he is dealing solely with words—the words of others, which are not his property, and his own words in their behalf. The matter is abstract, thus unnerving. Every word is an idea, and that may offer consolation or encouragement. But ideas are also merely represented by words, and when the teacher, who is the purveyor and curator of words, strides into the classroom and spills the words on his desk, he has no control over them, no way to enforce intelligence, charity, love, wit, or any of the elements of which the books he values are made.

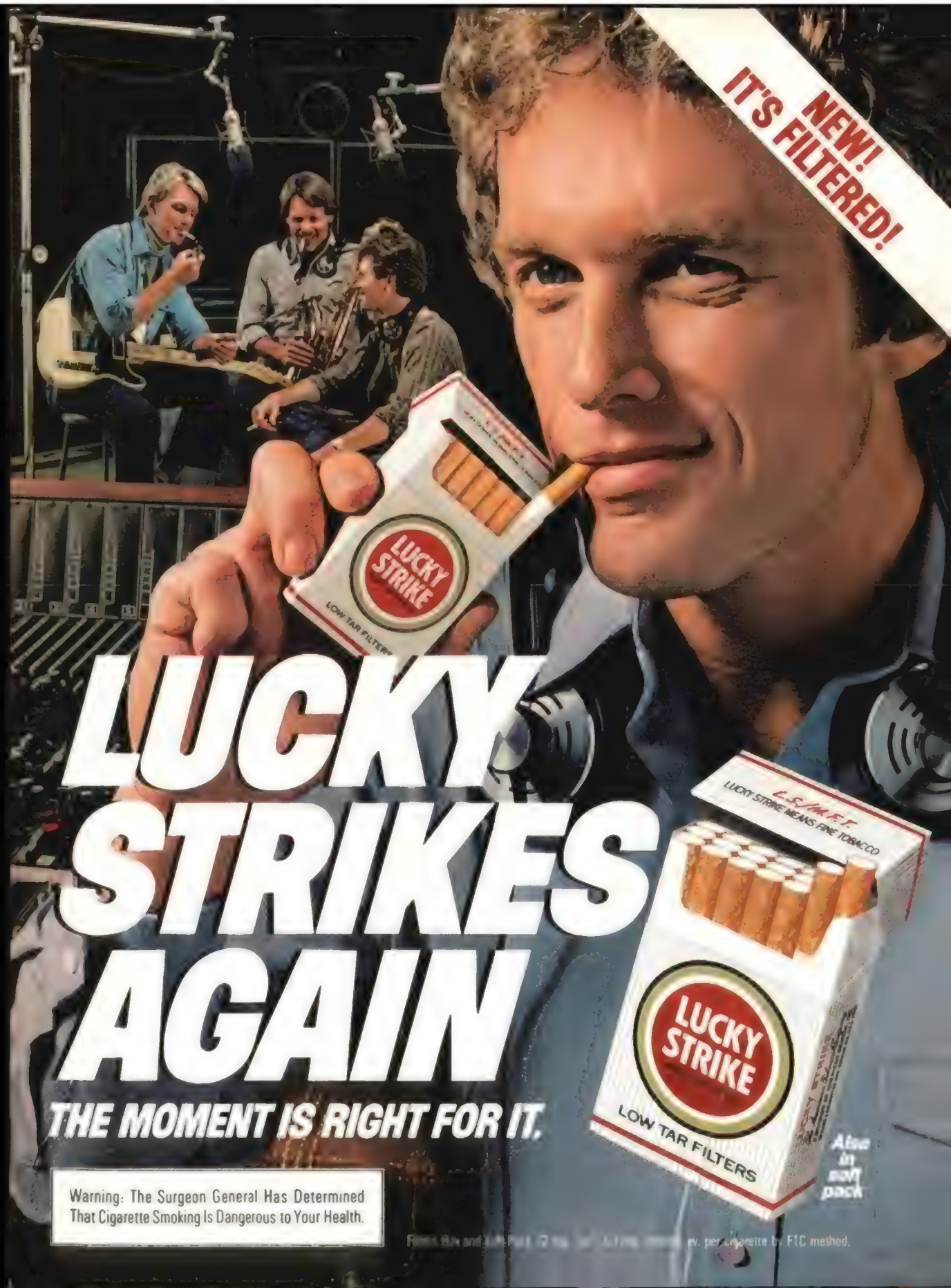
So what is it he does in that mysterious classroom when the thick wood door shuts behind him and the rows of too young faces turn and rise like heliotropic plants, eager for a sign? "Today we consider Kafka." Is that in fact what "we" are considering today? Or are we considering the teacher considering Kafka, and if that is the case, what exactly is to be considered—the learned scholar stocked deep with information about "irony" and "metaphor," or the still deeper mind, which has confronted Kafka alone in a private dark, and which Kafka has confronted in turn? "How does one say that [D.H.] Lawrence is right in his great rage against the modern emotions, unless one speaks from the intimacies of one's own feelings, and one's own sense of life, and one's own worked-for way of being?" asked Lionel Trilling. The testimony is always personal. Behind the spectacles and the fuzzy coat, the teacher teaches himself.

In the end it may come to a matter of character. John Ruskin said that only a good man can make a good artist, but that notion is disproved all the time. Good teaching, however, is another matter. No one knows how virtuous a person Milton was, but the speculation becomes irrelevant when applied to *Paradise Lost*, which, like every work of art, assumed a life of its own as soon as it was finished. The writer let it go. But the teacher of *Paradise Lost* cannot let it go; he becomes its life. Whether he sees the work as a brilliant display of versification or as the story of man's fall from grace, the poem is a sacred text, the source of his intellectual or moral faith. His students thus behold the poem and the faith together, and are bound to like *Paradise Lost* in part because they admire his strength of belief.

This faith in literature cannot be easy to acquire. A teacher of books must learn to live before becoming good at his work, since literature demands that one know a great deal about life—not to have settled life's problems, but at least to recognize and

Illustrations for TIME by Cathy Hull

ALL CLASS. ALL STYLE. ALL ARNIE. Introducing the Arnie Collection. A winning collection of fine fabrics and careful tailoring. Dress for work in three-piece, wool-blend suits,* dress slacks, shirts and ties. Dress for play in sport shirts, blazers, slacks and sweaters. Try on the New Arnie Collection. It's the master's touch.
Suits $150. Sportcoats and Blazers $85. Sweaters $30. Slacks from $29. Knit shirts $20
Available in most larger Sears retail stores. *55% polyester, 45% wool
©Sears, Roebuck and Co. 1988
Arnie™
YOU'RE IN FOR A CHANGE AT Sears


NEW!
IT'S FILTERED!
LUCKY STRIKES AGAIN
THE MOMENT IS RIGHT FOR IT.
L.S./M.F.T.
LUCKY STRIKE MEANS FINE TOBACCO
LUCKY STRIKE
LOW TAR FILTERS
Also in soft pack
Warning: The Surgeon General Has Determined That Cigarette Smoking Is Dangerous to Your Health.

Essay

accept the wide, frail world in which those problems have a home. The achievement of such perspective involves a penalty too. He who has gained that generous view inevitably moderates the books in his charge, domesticates their subversiveness, puts out the fire. As moderator he becomes a caricature, as teachers of English in fiction are always portrayed as caricatures. Who's afraid of Virginia Woolf's professor? The practice of giving apples to teachers may have originated as an unconscious mockery of their lack of experience and danger, of their apparent refusal to risk the loss of paradise.

And yet the power they generate can be enormous. Remember? One may not know exactly what happens in those classrooms, but one knows that it did happen, long after the fact, after all the classrooms and the schools are left behind. Two, perhaps three, teachers in a lifetime stick in the mind, and one of them is almost always a teacher of literature. He remains not as presiding deity but as a person, someone impassioned about words on paper. Perhaps he knows that words are all we have, all that stand between ourselves and our destruction. The teacher also intervenes. Robert Hollander Jr. of Princeton described a class of R.P. Blackmur's, who taught Hollander the Dante he now teaches others: "The lecture gasped, tottered and finally settled ruinously into total silence. He stood there, I thought, debating whether or not to chuck it all up, leave the room (with 20 minutes still to run before the bell), perhaps even to leave the earth." Danger enough.

Courage too, of a sort. Who but a teacher of books dares claim as his province the entire range of human experience, intuition no less than fact? Who else has the nerve? And what does he do with this vast territory he has staked out for himself? He invites us in, says in effect there has never been anything written, thought or felt that one need be afraid to confront. A teacher of books may favor this or that author or century, but fundamentally his work is the antithesis of prejudice. Take it all, he urges; the vicious with the gentle. Do not run from anything you can read. Above all, do not become enraged at what is difficult or oblique. You too are difficult, oblique and equally worth the effort.

It may be that such people remain with us because they were always with us from the start. Basically the enterprise of teaching literature is a hopeful one, the hope residing with the upturned faces. First faith, then hope. If words are merely words after all, then the teacher of books may be the world's most optimistic creature. No matter how he may grumble about life's decay, it is he who, year after year, trudges up the stone steps of old, dank buildings, hauls himself before the future, and announces, against all reason of experience, that "the World was all before them."

With those words, Milton approached the end of his long moral poem, and when Douglas Bush came to read those words aloud before his Harvard classes, there was nothing in his voice that betrayed a personal reverberation to the grand dismay the words contain. Bush showed none of Blackmur's visible force or Trilling's visible elegance, though like them he believed in the good that words and people are capable of. On the last day of courses at Harvard, it is the custom for students to applaud the teachers they most appreciate. After years of suffering this embarrassment, Bush would begin to pack up his books in the last minutes of the hour, so that he could time his exit from the room right at the bell. Thus when the moment arrived, and Bush was already halfway down the steps, it appeared that the students were clapping on and on for someone not there. But he was there.

—By Roger Rosenblatt

Director Jones, Writer-Performer Chapman and elephantine friend in *Meaning of Life*

A Fine Kettle of Fish

MONTY PYTHON'S THE MEANING OF LIFE
Directed by Terry Jones; Screenplay by Graham Chapman, John Cleese, Terry Gilliam, Eric Idle, Terry Jones and Michael Palin

Sex. Sacrilege. Scatology. And a bowlful of talking fish. There is a little something for everyone in *Monty Python's The Meaning of Life*. Aside from the fish, who are extremely clubbable, most of the film is designed to offend somebody at the very moment it is making someone else fall helplessly about with laughter. And there is one unforgettable passage that should engender an exquisitely painful mixture of both responses in everyone.

Since *The Meaning of Life* is structured like the beloved old Python TV show, as a series of sketches interspersed with Terry Gilliam's inspired animation sequences, it provides a convenient place to measure how far the group has come from the Ministry of Silly Walks and the other cheery conceits of those more or less innocent days. As it turns out, the distance is huge. By now the writer-performers of the Python troupe have become a true flying circus, engaged in savage aerial combat with the institutionalized madness and hypocrisy of the age, performing their comic loops and turns dangerously close to a battleground that, they insist on reminding us with every low-swooping pass, is a sea of muck, blood and offal.

In the Pythonized seven ages of man, birth is an occasion either to satirize the technological and administrative absurdities of modern medicine or to assault the Roman Catholics (in a musical number complete with dancing nuns and singing bishops) on the matter of unfettered procreation; death is an inconvenient guest arriving belatedly at a middle-class dinner party. As for the other ages, they are seen variously as: a sex-education class in which, despite a live demonstration of the subject, the students pay about as much attention as if it were algebra period; a battlefield in which the officer class sleeps late, dines well and goes tiger shooting while the soldiers fight and die; a four-star restaurant in which the sin of gluttony is acted out with a vividness unprecedented in the history of cinema.

For better or worse, this is the scene no viewer of *The Meaning of Life* will ever wipe out of memory. In it, a grotesquely bloated Terry Jones waddles into a posh eatery and angrily orders at least a double portion of everything on the menu—and a bucket in order that he may conveniently throw up. This he proceeds to do endlessly, finally unwatchably, the while continuing to gorge himself until he literally bursts. It sounds horrible. It *is* horrible. It is also extraordinarily funny. For the headwaiter, sublimely played by John Cleese, hovers fussily over a man who is, after all, his best customer while the rest of the diners do their utmost to keep small talk flowing and decorum intact. The result is a devastating attack on the human (or is it merely middle class?) propensity for maintaining the genteel amenities no matter how brutally reality assails them.

With this film, the Pythons have gone beyond the customary limits of satire, beyond their own original premises. In their assaults on conventional morality, they generate a ferocious and near Swiftian moral gravity of their own. It is this quality that distinguishes their humor from the competition, rescues it from its own excesses and makes braving it an exhilarating experience.

—By Richard Schickel

Heart of Texas

TENDER MERCIES
Directed by Bruce Beresford
Screenplay by Horton Foote

"Hey, mister," asks the fat lady on the dusty Texas sidewalk, "were you really Mac Sledge?" Mac (Robert Duvall) squints and says, "Yes, I guess I was." A successful country songwriter is what he was, and the husband of a high-octane singer named Dixie (Betty Buckley), till a nasty temper and too much liquor drove him out of Dixie's limelight. Now he is trying to find a modest parcel of dignity for himself, his new wife Rosa Lee (Tess Harper) and her boy Sonny (Allan Hubbard). But it's hard: "I'm missin' the music. I may not be any good any more, but that doesn't keep me from missin' it."

Horton Foote's lovely screenplay finds its pace and meaning in the slow, plaintive tempo of rural Texas life. Mac teaches Sonny a few guitar chords; he sashays through a honkytonk dance with Rosa Lee; he gets dunked in the christening tub at the local Baptist church; he tries to make peace with his rebellious daughter (Ellen Barkin); he visits Dixie's Tara-size mansion to say an elegy over a dead marriage; he tosses a football around with Sonny. Attuned to the movie's rhythm, the viewer will see wounds heal, friendships ripen, a bond sealed between the film makers and the audience.

Bruce Beresford, the Australian director making his American film debut, is no subtle stylist. His tendency is to run like hell with a single visual strategy: flossy soft focus in *The Getting of Wisdom*, low-angled shots for the heroes and villains of *Breaker Morant*, hyperactive camerabatics to catch the footballers in *The Club*, and, to emphasize the lonely helplessness of Mac and his kind, a series of long-shot landscapes that dwarf the actors. But with his jeweler's eye for casting and a fond patience with his actors, he allows every performance in *Tender Mercies* to shine through the visual clichés like the home truth in a country ballad.

Robert Duvall

He is especially lucky to have Duvall as his star. Duvall's aging face, a road map of dead ends and dry gulches, can accommodate rage or innocence or any ironic shade in between. As Mac he avoids both melodrama and condescension, finding climaxes in each small step toward rehabilitation, each new responsibility shouldered. With a lot of help from his friends, Duvall makes *Tender Mercies* the best American movie of the new year.

—By Richard Corliss

People

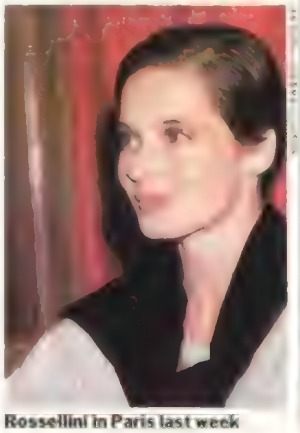
"I have divorced **Martin Scorsese** because he wanted me to spend my life between the cookstove and the kids," says Model **Isabella Rossellini,** 30, daughter of **Ingrid Bergman** and Italian Film Director **Roberto Rossellini.** Exit American film director nine years her senior. Enter American Model **Jon Weidermann,** five years younger than she. "With my new husband it is different," says Rossellini of Weidermann, whom she last week admitted to having quietly married in February. "I will have the chance of becoming someone apart from our life together." Isabella has both her mother's smoky good looks and a predilection for starting an early family (she and Weidermann expect their first child in July). Rossellini's parents only got around to a wedding four months after her brother was born.

■

Apart from **George Bernard Shaw** himself, few British stage veterans have done as much to promote the works of the white-bearded comedic master as **Rex Harrison.** He starred in the 1941 film version of *Major Barbara*, then played Henry Higgins in *My Fair Lady*, the musical adaptation of *Pygmalion*. Now Harrison is again setting the Shavian standard, this time with **Diana Rigg,** 44, and a thoroughly splendid cast in a production of *Heartbreak House*, which opened triumphantly at the Haymarket Theater in London's West End last week. For his role as the 88-year-old Captain Shotover, Harrison, only 75, managed to age himself by growing his own set of Shotover whiskers. Of course in the play, the ripe old captain still gets the girl. But then, Sexy Rexy, now in his sixth marriage, practically always has.

■

The photo album for the first year alone threatens to be a three-volume work, but the kid could probably cause shutter flutter no matter who his parents were. At Kensington Palace, nine-month-old **Prince William** the Charmer sat not entirely still for just one more photo session. The young royal intermittently bared his six new teeth, chewed on a daffodil, and hugged his stuffed koala, perhaps in anticipation of the family's upcoming tour of Australia and New Zealand. Breaking with a tradition that calls for heirs to be left safe at home while their parents travel, **Prince Charles,** 34, and **Diana, Princess of Wales,** 21, are taking the baby with them. But while they pursue their six-week, 45,000-mile itinerary, William will be billeted at Woomargama, a rented six-bedroom estate set on 4,000 acres in the Australian province of New South Wales.



Rossellini in Paris last week

Charles and Diana with Prince William before heading Down Under

Rigg and Harrison do Shaw justice in *Heartbreak House* in London

■

"I wonder how well the country understands the pessimism that broods over Washington these days," wrote **Richard L. Strout** 40 years ago this month in his first "TRB" column for the *New Republic*. The message of those words remains contemporary, as does the messenger, who turned 85 last week and announced that he would soon submit his last TRB column (which, according to *New Republic* lore, got its name when an editor of the magazine transposed the letters of Brooklyn Rapid Transit while delivering an early column to the printers by subway). Others wrote the column before him, but since 1943 Strout's TRB has been a steady, unstridently voice of New Deal liberalism that has sent conservative economists, gun lobbyists and segregationists scurrying for cover. "I hate to give it up," says Strout, "but I just want a little freedom and a chance to simplify my life." The essayist's concept of octogenarian simplicity means devoting more attention to his full-time job for the past 62 years, that of a Washington-based reporter for the *Christian Science Monitor*. "I'm going to miss it," he says of his opinion outlet. "I've been sort of laying down the law for 40 years. It's hard to un-pundit yourself."

—By E. Graydon Carter

Strout reflecting after 40 years as the *New Republic's* "TRB" columnist

On the Record

Charlie Gehringer, 79, Detroit Tiger who retired in 1942 to start an automobile parts firm: "Us ballplayers do things backwards. First we play, then we retire and go to work."

Joan Claybrook, former U.S. highway safety chief, on the 130 auto deaths that occur daily in the U.S.: "These casualties exceed those of a major airline crash every day, 365 days a year. Would the Administration tolerate such airplane disasters? Not likely."

A City of Crowded Images

At the National Gallery, paintings form 17th century Naples

One of the tests of a great city is its receptivity to the foreigner, its openness to the stranger with unfamiliar ideas. That made Paris what it was and New York what it is. Raphael, appearing in some scrofulous Sicilian hill town in the *cinquecento*, would hardly have altered the history of cart decoration. Appearing in Rome, he changed the history of art. Something of this kind—the transformation that only urban cultures can produce, sparked by an apparently small event—had occurred in Naples by 1610.

A painter from northern Italy visited that port twice, each time on the run: from a murder charge in Rome in 1606-07, and from the vengeance of the Knights of Malta in 1609-10. He never set up a proper studio with assistants in Naples; he took no pupils, held no *salon* and had little talent as a courtier. Yet by word of mouth, force of reputation and the example of four or five paintings he executed there, Michelangelo Merisi da Caravaggio completely changed the face of Neapolitan painting at the start of the 17th century. A few months after his second arrival in the city, this paranoid, violent homosexual genius was dead at 37, leaving two generations of painters from Naples to Brussels with a legacy to pick over.

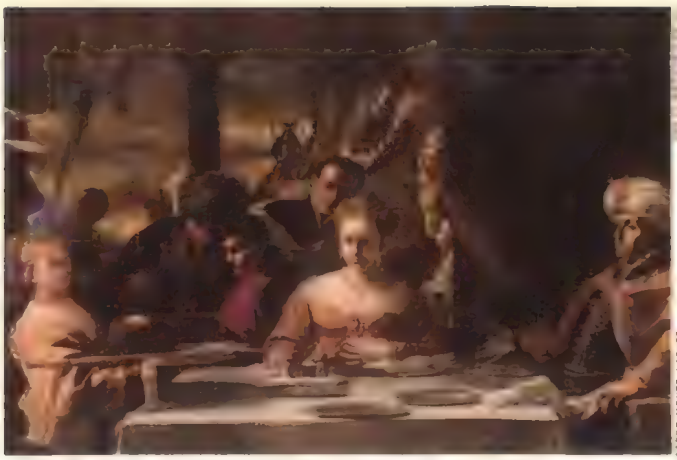
Caravaggio's *The Seven Acts of Mercy*, 1606-07: between realism and ecstatic theater

How that legacy was divided and spent, who used it and for what, who spurned it and what the visual arguments about it were—these are the inquiries of an extraordinary exhibition of 113 paintings that opened last month at the National Gallery of Art in Washington, D.C., and will run there until May 1 and then travel to Paris' Grand Palais. It will not be seen anywhere else in the U.S. "Painting in Naples 1607-1705: From Caravaggio to Giordano" is a smaller, edited version of the exhibition that was seen in 1982 at the Royal Academy of Arts in London. It contains many loans of the first importance, from Caravaggio's altarpiece of *The Seven Acts of Mercy* to groups of work by Mattia Preti and Jusepe de Ribera, along with many remarkable paintings by lesser-known artists.

One hesitates, despite the show's size, to use the opprobrious word blockbuster. It is an effort of scholarship. It turns up, and makes sense of, ground unfamiliar to all but the most committed specialists. It brings together work that, in an ordinary lifetime, one could not otherwise see in the same context. In short, there is a real reason for its existence that justifies the expense and risk of bringing the work around the world. Only in recent years, with a cluster of major exhibitions devoted to the 17th century—"France in the Golden Age" at the Met, Claude Lorrain at the National Gallery, Ruisdael at the Fogg, and a few others—have Americans been able to clear their minds of prejudices in favor of the *quattrocento* and see what pleasure the baroque period holds. This show carries that project further.

One is still apt to think of Naples as a sort of Italian Calcutta: a relentless human condenser, a grinding mill of poverty set on a blue, filthy bay, with the world's most lavishly vulgar sunsets. Since the collapse of the old order and the annulment of the Kingdom of the Two Sicilies, it has sunk into chaos and stagnation: the loser to North Italy of the Risorgimento. Not so, however, in the early 17th century, when the Spanish viceroys ruled a city of 450,000 Neapolitans, the largest in southern Europe and, on the eve of the catastrophic plague of 1656, three times the size of Rome. The rulers of *seicento* Naples, along with their satellite nobility, were keen, sometimes obsessive patrons of painting, sculpture and architecture.

The visual arts flourished there like



Preti's *The Feast of Herod*: subtly shadowed play of emotion

Recco's *Kitchen Still Life*, ca. 1650: severe visual rhymes

lilies on a dunghill. And they acquired a peculiar tinge from their social background; one might say that Neapolitan painting in the 17th century is the first real example of what overcrowding can do to the life of images. To be a Neapolitan, or even to live in Naples as a foreigner—like such artists as Ribera, a Spaniard, or Belisario Corenzio, a Greek—was then, as now, to live with crowds and noise in the peculiar airlessness of enforced and unwanted intimacy.

A painting like Caravaggio's *The Seven Acts of Mercy* seems to express this fragmentary, jostled character of Neapolitan life: too many heroic figures on too small a stage, a compression of allegory so extreme that it becomes nearly illegible. Thus instead of seven separate acts of mercy, some of the figures are assigned two at once; the woman suckling an elderly man through a barred window represents both visiting the imprisoned and feeding the hungry. With its curious inconsistencies—the angel is an apparition, but he is also a visibly tough street kid, balancing on a muscular arm like a gymnast—Caravaggio's painting announces the dialogue between realism and ecstatic baroque theater that would preoccupy his followers.

Then there was violence. Naples was soaked in vice and crime, and its sense of social order was threatened by a huge and permanent underclass, the *lazzaroni*. Brawls, stabbings, muggings and murders were such a commonplace that they generally went unreported, and they form a background to the peculiarly extreme imagery of Neapolitan painting. Where but in such a city would a Spaniard like Ribera feel free to produce such a grotesquely sadistic image as *Apollo and Marsyas*? In myth, the satyr Marsyas challenged Apollo to a musical contest and lost, so that the god of harmony skinned him alive for his hubris. In the painting, between the shrieking mouth of the satyr and the reflective, almost amused expression of Apollo lies a sado-masochistic contract that cannot have been accidental.

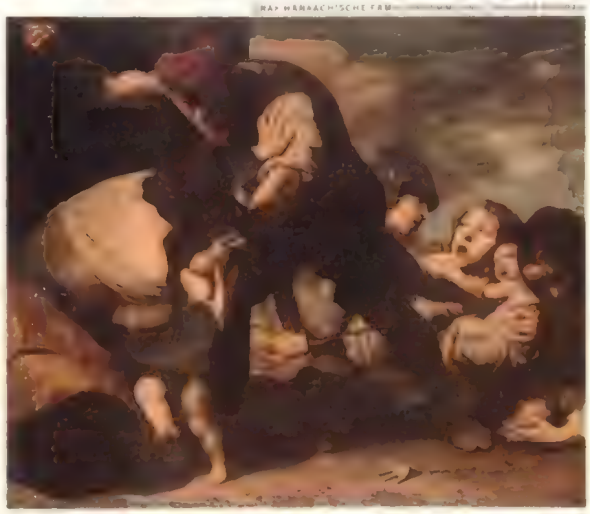
Nor is it very surprising to learn that Ribera and two painter friends (Battistello Caracciolo and Corenzio) ran what amounted to an artists' Mafia in Naples, grabbing the commissions for themselves and frightening rivals with bloodcurdling threats. Poor Domenichino, the Bolognese master who had been invited to decorate the chapel of St. Gennaro in Naples' cathedral, rushed back to Rome in a state of collapse after hearing from this cabal. Grand Guignol abounded, especially in details like the amputated hand in the foreground of Massimo Stanzione's *Massacre of the Innocents*, which seems ready to scuttle away, like a pink crab, on its own.

Even in its more refined moments, *seicento* art in Naples was geared to a love of strong sensation and imminent catastrophe: crowds and Vesuvius in the background, diseases of the body, instabilities of the soul, Thanatos and Eros beating the big bass drum. One recognizes in the Magdalens and Madonnas the women that visitors like John Evelyn wrote of, "generally well-featured, but excessively libidinous." Even still lifes by artists like Paolo Porpora and Giovanni Battista Recco have the swollen intensity of painting infatuated with the surface of the world. However, Recco's picture of objects on a kitchen table, grouped around the visual pivot of a Delft dish, is so exquisitely designed and so full of severe visual rhymes and harmonies as to rival the best *bodegón* paintings of Zurbaran.

At the lower end, of course, some Neapolitan art can be as wearisome as any other self-conscious piece of "life enhancement." Like routine *mezzogiorno* cooking, all tomato paste and burnt garlic, it was not meant for an educated palate. But the remarkable thing about this show is how, time and again, it surprises one with some unexpected dramatic subtlety. The expression on Salome's face in Preti's *The Feast of Herod*, for instance, is worthy of Rembrandt in its shadowed play of emotion.

For connoisseurs of enigma, there is *A Dead Soldier* by an unknown Neapolitan hand (all attributions having failed so far), which inspired Manet's *Dead Toreador*. The painting is a link between Caravaggio's shadow-theater and, through Salvator Rosa, the world of 19th century romanticism. It shows a young man in half-armor lying stiff and composed on the floor of a cave (some mountain charnel-house, perhaps) surrounded by rainy twilight and the glimmer of bones, with a curl of smoke still issuing from an extinguished votive lamp. A *vanitas*? A more personal lamentation? Impossible to say; yet there is more real feeling in this restrained image than in many a square yard of post-Caravaggian bombast.

In some respects this is an exhausting show, though not as tiring as it was in London, but that is no disadvantage. Some shows cannot be done in a single visit. This deserves several, not least because it has so much to say about where the line between rhetoric and high pictorial elocution can be drawn. —*By Robert Hughes*



The Grand Guignol of Stanzione's *Massacre of the Innocents*, ca. 1635

Here comes

BRIGHT

A fresh new taste experience that outshines menthol.

It not only tastes fresher while you smoke.
It even leaves you with a clean, fresh taste.

7 mg. "tar", 0.5 mg. nicotine av. per cigarette by FTC method.

Warning: The Surgeon General Has Determined That Cigarette Smoking Is Dangerous to Your Health.

You never had it this fresh!
BRIGHT 100s
BRIGHT
BRIGHT 100s
BRIGHT
BRIGHT 100s
BRIGHT

The Wound and the Brush

FRIDA *by Hayden Herrera; Harper & Row; 507 pages; $21.95*

Frida, a biography of the Mexican painter Frida Kahlo (1907-54), is a mesmerizing story of radical art, romantic politics, bizarre loves and physical suffering that raises the question, Why hasn't someone told it all before? Part of the answer is that Kahlo was the wife of Diego Rivera, the muralist and cultural provocateur who overshadowed nearly everybody and everything he touched. He would, in fact, have dominated this book about his wife if Biographer and New York Art Critic Hayden Herrera had not put him in his place.

Rivera was both Kahlo's hero and her baby, a relationship that endured through their marriage, divorce, remarriage and intervening separations. The 300-lb. painter can be summed up in a series of lingering images: a robust hulk on a scaffold, applying bright Marxist idealizations to the walls of public buildings; a blustery reveler brandishing a revolver to ensure attention; a celebrated philanderer openly displaying his conquests; and a monumental infant seated in a bathtub full of floating toys while Frida lathers his plump breasts.

Kahlo was no passive victim of her husband's machismo. She was a tiny, tough-mouthed daughter of a photographer of Hungarian-Jewish descent and a strikingly attractive woman from Oaxaca. Frida herself had a gamy beauty that drew lovers of both sexes. There seem to have been dozens of them, including Sculptor Isamu Noguchi and Leon Trotsky, the exiled Russian revolutionary who died in Mexico shortly after a Stalinist agent put the point of an ice ax through his head. Frida initiated the affair with Trotsky, not because she found "Piochitas" (little goatee) attractive but because she thought the trysts would be the perfect response to Rivera's fling with her sister.

To friends, Rivera and Kahlo were known as "sacred monsters," symbols of "the race" that would be reborn in Communism. Pistol-packing Diego trooped about in work shoes, and Frida in elaborate peasant skirts and blouses, her hair bound with ribbons, her fingers weighted with rings. But the finery hid terrible wounds. In 1925 a bus carrying Kahlo was struck by a trolley car. Rescuers found the 18-year-old girl impaled on an iron rod, her pelvis smashed, a foot mangled and her spine bent to nearly a right angle. Frida endured more than 30 operations in her lifetime. None of them stopped the degeneration of her bones. At times she lived in braces, surgical corsets and wheelchairs, paraphernalia she transformed on canvas with a macabre vibrancy.

Physical and emotional pain became Kahlo's principal subject. She painted herself skewered, split, trussed and as a deer bristling with arrows. She was no sentimentalist. In 1938 Clare Boothe Luce, then managing editor of *Vanity Fair*, asked Kahlo to paint a memorial portrait of a friend who had jumped from a New York hotel window. The artist complied with a depiction of the woman simultaneously leaping, falling and finally lying dead on the pavement.

Kahlo's style was a hybrid of classical, modern and Mexican folk art. She was an impressive colorist and a meticulous technician. Some of her pictures look like blowups of the tortured figures that inhabit the paintings of Hieronymus Bosch. Rivera claimed that she had a bigger talent than his, a judgment that Herrera endorses. Wassily Kandinsky is said to have wept with emotion when he saw Frida's pictures in Paris. An admiring Picasso gave her earrings, and André Breton proclaimed her a fellow surrealist. It was a label accepted as expedient, although privately she dismissed surrealism as "a decadent manifestation of bourgeois art" and its chief theoretician as "pretentious, feckless and boring." Edward G. Robinson said nothing notable but bought four of Kahlo's pictures for $200 each.

Frida's author sensibly refrains from underscoring the political naiveté of the artist and her circle. The archives, letters and memories of aging witnesses speak for themselves, and the familiar message is not hard to decipher: regardless of ideology, the rich, the talented and the powerful usually prefer to associate with each other rather than with the masses on whose behalf they argue so passionately. Kahlo's upper bohemian world had more than its share of radical chic and hypocrisy. Rivera painted murals for capitalists, and Frida disdained "Gringolandia" but sought her serious medical care in New York City.

Herrera resolves Kahlo the public figure and Kahlo the artist in a perceptive portrait of a woman who rose above a circumscribed content with a grand style. Even her funeral seems to have been an extension of a will to startle and amaze. As Kahlo's body was rolled toward the open crematory furnace, mourners surged forward to pull the rings from her fingers. "At the moment when Frida entered the furnace," writes Herrera, "the intense heat made her sit up, and her blazing hair stood out from her face in an aureole." She was a woman who knew how to make an entrance and an exit. —*By R.Z. Sheppard*

MUSEO DE ARTE MODERNO, MEXICO CITY

Frida Kahlo's *The Two Fridas*, one loved and one rejected, painted in 1939

Excerpt

"Frida explained the meaning of colors . . .

BROWN: color of *mole*, of the leaf that goes. Earth.

YELLOW: madness, sickness, fear. Part of the sun and of joy.

COBALT BLUE: electricity and purity. Love.

BLACK: nothing is black, really *nothing*.

LEAF GREEN: leaves, sadness, science . . . Germany is this color.

GREENISH YELLOW: more madness and mystery. All the phantoms wear suits of this color. . . . . or at least underclothes.

DARK GREEN: color of bad news and good business.

NAVY BLUE: *distance*. Also tenderness can be of this blue.

MAGENTA: Blood? Well, who knows!"

LOVE. UNATTAINABLE. FORBIDDEN. FOREVER.

THE THORN BIRDS

RICHARD CHAMBERLAIN RACHEL WARD JEAN SIMMONS BEN HOWARD
EARL HOLLIMAN BRYAN BROWN
CHRISTOPHER PLUMMER BARBARA STANWYCK
DIRECTED BY DARYL DUKE

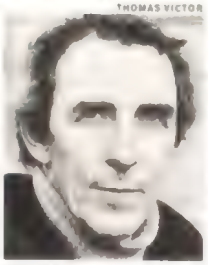
AN ABC NOVEL FOR TELEVISION. FOUR CONSECUTIVE NIGHTS.
STARTING SATURDAY, MARCH 27 ON THE ABC TELEVISION NETWORK

Black Hills

IN THE SPIRIT OF CRAZY HORSE
by Peter Matthiessen
Viking; 628 pages; $20.95

For more than 20 years, Novelist and Naturalist Peter Matthiessen has been a powerful voice crying in, and about, the wilderness. With unruffled grace he has defended threatened species such as the African rhino (*Sand Rivers*) and a Stone Age tribe in New Guinea (*Under the Mountain Wall*), whose territory is being claimed by industrialized societies. In his 15th book, however, the author explores a tragedy closer to home. The territory is the Great Plains, and the endangered species is the American Indian.

THOMAS VICTOR



Matthiessen

The threat to the first Americans demands something more than mere polemic. Unfortunately, that is chiefly what Matthiessen offers. According to *In the Spirit of Crazy Horse*, the Indians, who have been exploited since the white man's arrival, are currently being manipulated by "huge energy consortiums" with everything from lavish handouts to hushed-up homicides for mineral rights to reservation land.

Mining has always added to the misery of reservation life. When gold was discovered in the Black Hills in 1874, for instance, authorities looked away while prospectors dug on land owned by the Sioux. The sculptures of Mount Rushmore still speak with forked tongues to the large Indian population of the area. The late Lakota Chief John Fire Lame Deer claimed that the stone faces say, "Because we like the tourist dollars we have made your sacred Black Hills into one vast Disneyland . . ."

A century of legal skirmishing solved nothing; the spirits rose again at South Dakota's Pine Ridge Reservation in June 1975 when militant leaders of the American Indian Movement and federal authorities faced off. It began when agents arrived to arrest a young man for the theft of a pair of boots. But the FBI, claims Matthiessen, saw AIM as a conspiracy against the Government, and matters accelerated beyond reason. In came a "large force of sweating, nervous men in new battle fatigues. After all the smoke and gas had blown away, there was only this solitary Indian, killed much earlier in the day."

But there was more: the bodies of two FBI agents, apparently executed at close range. Leonard Peltier, a leader of AIM, was convicted of the murders on circumstantial evidence. Employing trial transcripts and FBI documents secured under the Freedom of Information Act, Matthiessen argues that the authorities were out to get Peltier long before the crime and that the FBI infiltrated the movement and provoked anti-AIM sentiment among the majority of law-abiding Indians.

Matthiessen makes Peltier's trial something very like a 1960s-style conspiracy drama. He rehashes an "ambush theory" advanced by the defense and makes too much of the negligent autopsy of a former AIM member. Finally, the author drops all pretense of impartiality: "From the Indian's viewpoint—and increasingly from my own—any talk of innocence or guilt was beside the point."

But in any murder case, culpability is never irrelevant. In his angry righteousness Matthiessen has also discarded his gifts for observation and organization. What is left is an angry and naive John Ford western reversed with mirrors. Here the courageous braves fight the savage cavalry in vivid black and white. The author's defense of the violent in the name of justice is as unthinking as the authorities he attacks. The Lakotas deserve more than inflamed or patronizing words from either side. Instead, readers might consider the recollection of Good Fox, a Lakota brave. That survivor of the Little Big Horn concluded, "Hundreds of books have been written about this battle by people who weren't there. I was there, but all I remember is one big cloud of dust." In the complicated matter of the American Indian, Matthiessen should have cleared the air. Here, he merely adds to the haze. —*By J.D. Reed*

Notable

SARA & GERALD
by Honoria Murphy Donnelly with Richard N. Billings;
254 pages; Times Books; $17.95

They invented the summer season on the Riviera. The guest list at their 14-room Villa America near Antibes included Ernest Hemingway, Cole Porter, Jean Cocteau and Pablo Picasso. F. Scott Fitzgerald used the Murphys as models for Nicole and Dick Diver in *Tender Is the Night*. They were the subjects of Calvin Tomkins' 1971 bestseller *Living Well Is the Best Revenge*.

But Sara and Gerald Murphy were more than monuments of the jazz age. Honoria Murphy Donnelly, their daughter, repeats the familiar accounts of her parents' grand style and hospitality, but she also describes in poignant detail the twin tragedies that shattered their European idyl: the death of the Murphys' sons, Baoth in 1935 of a sudden attack of meningitis and Patrick in 1937 after a long fight with tuberculosis, each within months of his 16th birthday. "The golden bowl is broken indeed," Fitzgerald consoled his friends. "But it *was* golden; nothing can ever take those boys away from you now."

The deaths effectively finished the Murphys' careers as world-class salon keepers. Gerald abandoned painting, for which he had considerable talent, and as the Depression deepened, reluctantly took over the family business, Mark Cross, the Fifth Avenue leather goods emporium. Villa America was sold. Sara traveled abroad, did volunteer work at a Harlem day care center and tried unsuccessfully to adopt two young brothers enrolled there.

Though apart for much of their later years, the couple wrote tender notes to each other and continued to lend their diminishing funds to friends and artists in need. Gerald died in 1964; Sara survived him for eleven years. Previous accounts have characterized the Murphys as collectors of glittering objects and achievers. But the revelations of *Sara & Gerald* prove that they deserve a larger consideration. In the beginning they were admirers; at the end they were admirable.

NUREYEV
by Clive Barnes
Helene Obolensky; 240 pages; $35

Feline, flamboyant and faintly Oriental, Rudolf Nureyev has leaped across the stages of U.S. and European theaters for more than 20 years, capturing larger audiences for ballet than any other dancer in history.

Even in the stillness of photographs, Nureyev's animal vitality comes across in a rush of energy and sensuality. The dancer's fans will be bowled over by the 29 color and 146 black-and-white pictures, most of them previously unpublished, that illustrate this big, handsome book. Dance Critic Clive Barnes' chronicle charts the dancer's career back to its beginnings in the remote Bashkir Republic of the U.S.S.R., where, as a teenager, Rudi jumped and twirled in local folk dances. Battling the disapproval of his Tatar father, a Communist commissar, the youth made his way into Leningrad's celebrated Kirov company. Following his defection in Paris in 1961, he danced nonstop in virtually every Western company except the New York City Ballet. Now 45, he can still dance seven performances a week, apparently without tiring. Barnes insists that Nureyev can keep performing, albeit in increasingly less demanding roles, for 20 or 30 more years, though such endurance is rare among dancers. Certainly, the final color photo of Nureyev in this book seems emblematic of ambition. Dressed in a cocky fur cap and a shiny, blazing red raincoat, Nureyev is seen striding gracefully, and purposefully, forward. ■

JACK MITCHELL

Nureyev

Observer or Conspirator?

An aspiring novelist defends his drug activities as research

With his bushy hair and brush mustache, Richard Lowell Stratton, 37, looks the part of a writer. He has written several articles for *Rolling Stone*, and has been befriended by Norman Mailer. But to federal law-enforcement officials, Stratton looks more like a drug pusher than a pencil pusher. Arrested a year ago in Maine with 14 others after a raid netted $1.5 million worth of hashish and marijuana, Stratton is on trial as an active member of a drug conspiracy. A gigantic mistake, he says; he was actually no more than a spectator absorbing material for a novel. A ten-member jury will decide, perhaps this week, which portrait matches Stratton. Either way, though, the outcome should be worth a cautionary mention in any how-to book for writers who want to investigate society's criminal element without stepping over the line.

Stratton at work in his Portland jail cell before the trial

The verdict will rate a mention in any how-to book for investigative reporters.

If Stratton was truly engaged in research, no one can fault his thoroughness. Before his arrest, he says, he spent time in the company of drug dealers from Latin America to Southeast Asia. At the start of the trial he told reporters, "It took me five years to penetrate the upper echelons of the international drug-smuggling business, to gain the confidence of people who could introduce me into the elite circles." He was never involved in "planning or execution," he says, though "I may have done stuff like close hangar doors." Prosecutors claim that it was more like closing full-scale drug deals. Michael Sanborn, a.k.a. Fred Barnswallow, testified for the Government that he arranged several large drug buys through Stratton. Sanborn pleaded guilty in the scheme and is serving five years. Another witness, Policeman John Arnold, who posed as a "crooked cop" during the investigation, reported in court that Stratton once described himself as "Michael Sanborn's boss in drugs."

Stratton may decide not to tell his story directly to the jury. To bolster his side's credibility, his lawyers will call on Mailer and Doris Kearns Goodwin, a historian and Lyndon Johnson confidante. Mailer, who has known Stratton for more than 15 years and jointly owns a house in Maine with him, was in Portland last week and ready to testify. "Dick is a person of much integrity and courage," he says.

No matter how many points character witnesses score for Stratton, the defense must counter the evidence that he was a participant. Explains Yale Law Professor Burke Marshall: "The question in the end is whether he did something that helped move the drug conspiracy along." Higher purpose is no excuse, says Harvard Law Professor Laurence Tribe. "Gathering the news is a fundamental right, but no one should be above the law."

If nothing else, the arrest has given Stratton plenty of time to perfect his craft. Unable to come up with bail of $500,000, he has been in jail in Portland since September busily at work on his first novel, *Drug War*. The initial 300 pages of the manuscript have been ferried to a New York City literary agent by Mailer, who has been down this road before. Two years ago, Mailer was promoting and urging the parole of a prison author named Jack Henry Abbott (*In the Belly of the Beast*), who won release but later killed a Manhattan waiter. Stratton is no Abbott. Not only does he lack Abbott's violent streak but, according to some of those who have seen *Drug War*, he lacks Abbott's writing skill. ■

4 GOOD REASONS

For Renewing Your TIME Subscription In Advance:

1. Uninterrupted home delivery of the world's Number One Newsmagazine.
2. You continue to enjoy TIME's *current low home delivery rates*—saving over 45% off the $1.50 cover price.
3. No need to send money in advance—*we'll bill you later.*
4. Your satisfaction is *guaranteed* or your money back on all the unmailed issues.

To renew, look at the upper left corner of your mailing label to see when your subscription expires. If that date is near at hand, fill out the coupon below and send in with your mailing label to TIME.

YOU CAN ALSO USE THIS COUPON TO REPORT A CHANGE OF ADDRESS, GIVE TIME AS A GIFT OR ENTER A NEW SUBSCRIPTION.

Please give us four weeks' notice for a change of address. Fill in your new address and check the Change of Address box below, then mail this coupon *with your mailing* label to TIME.

To give a gift or enter a new subscription, fill in the coupon below. When ordering gifts, please list the gift recipient's name and address on a separate piece of paper.

Please send TIME for:

☐ 1 year (52 issues) at $41.

☐ 2 years (104 issues) at $74.

☐ New Subscription ☐ Gift Subscription

TIME's basic subscription rate is 79¢ an issue.

(If no term is indicated the minimum will be served.)

Name _____ (please print)

Address _____ Apt. No.

City _____ State _____ Zip

☐ This is a new address

Rates good in U.S. only
Mail This Coupon To
TIME, 541 North Fairbanks Ct.
Chicago, Illinois 60611

T51917

Theater

Penn, Bacon and Kilmer: high-kicking humor, futile bravado and baby-faced macho

Hopeless Nights, Dreamless Days

SLAB BOYS *by John Byrne*

For all their vaunted coolness of acting technique, the British seem to demand that their plays make heated arguments. The enemy may be imperialism, fascism, racism, even male chauvinism or the belabored-to-death class system, but an enemy there must be. Americans often make a hash of British plays, mangling not just the accents but the invective. Sometimes, though, an American director's instinctively naturalistic approach, evoking a slice of life, can soften a didactic play and give it newfound emotional depth

That happy circumstance has befallen *Slab Boys*, a burst of bitter memory from Scottish Playwright John Byrne about the hopeless nights and dreamless days of young men who grind dyes in the "slab room" of a carpet factory near Glasgow. When first produced in New York, off-Broadway in 1980, the play seemed a programmatic denunciation of the social order, as personified by two pompous functionaries and by a blazered young prig who was passing through the slab room on his foreordained way up

As reconceived by Director Robert Allan Ackerman, however, the play is a dark comedy that chronicles the ceaseless small betrayals committed against one another by the discontented. The working-class victims suffer most from their own lack of drive, discipline and vision. The functionaries are somewhat pitiable; the scion of privilege is doltishly well meaning rather than imperiously smug As a result, the play is more poignant and its eruptions of violence truly unsettling.

The themes of privation and sardonic defiance are conveyed at first glance. The set, designed by Playwright Byrne, is the slab room, dingy as a tenement, yet spattered with paint as cheerfully as a Jackson Pollock canvas. The only ornament is a poster of the slab boys' hero, the rebel without a cause, James Dean. Standing beneath it, a young man studiously paints a watch onto his wrist. He soon makes plain what the audience guesses: in this knockabout environment, even a watch is an unattainable badge of advancement

Slab Boys is drawing an uncustomary Broadway audience, many in leather jackets and punk haircuts, perhaps because the cast features leading exponents of baby-faced macho: Kevin Bacon (Fenwick in the movie *Diner*), Sean Penn (*Fast Times at Ridgemont High*), Jackie Earle Haley (*Breaking Away*) and Val Kilmer

Bacon, a notably venturesome and versatile young actor, wavers in and out of a Scottish brogue but ably blends charm, petulance, wit and selfishness as a would-be artist who counts on his talent to lift him up. Penn persuasively portrays a clever lad who is so defeated that he cannot imagine a light, or even an end to the tunnel. The two young men's high-kicking, cruel humor works better in the play's free-form first act than in the second, which is overladen with plot. But at every moment they capture the futile bravado of the out-but-not-down, and make the play seem a substantial addition to a season largely devoid of both humor and social conscience. —*By William A. Henry III*

Broken Moods

AZNAVOUR

Charles Aznavour still looks great at 58, with his small, powerful body sheathed in black, his ready-for-anything Cagney stance, the pouty lower lip that all *chansonniers* are issued at birth. Ever the actor as singer, he will poke or sculpt the air to give physical shape to a lyric; at the end of a song he may waltz or lurch into the wings. Mostly he stands at center stage and sing-talks one of the more than 1,000 ballads he has written. These are songs of subterranean emotions, of dreams and fears and guilty secrets. The best of them are stethoscopes detecting sounds often unheard: the diminished pulse beat of a love gone sour, the anxiety beneath male bravado, the hum of appliances in a lonely woman's flat. One must listen closely; Aznavour's charisma is implosive. He does not play to the audience so much as he admits it to his bittersweet, no-illusions world

The problem with this species of charm is that it does not fill a concert stage, let alone the Broadway theater where Aznavour is beginning his tour of nine American cities (including Chicago, Washington and Los Angeles). Singing standards like *Yesterday When I Was Young*, *The Old Fashioned Way* and *She* is not enough to justify a solo stint on the grand scale. The star need not wear a mermaid's tail and wriggle in a wheelchair, as Bette Midler did in her recent socko turn at Radio City Music Hall. One needs simply to magnetize the spectator. Midler can do it singing *The Rose;* Lena Horne does it torching *Stormy Weather* one more time. Aznavour does not. Moreover, his show's mood is often broken by inept lighting cues and a sound system that whines when it does not crackle. It all makes one wish one were elsewhere—at home, perhaps, with a close friend, a bottle of Bordeaux and an Aznavour LP. —*By Richard Corliss*

Charles Aznavour performing on Broadway

Dreams and fears and guilty secrets.

The best how-to book in the business.

How to find a buyer. How to find a seller. Every working day business people find out how-to in the Bell System Yellow Pages. It's the #1 How-to-Run-a-Successful-Business book.*

Now in many metropolitan areas there's a companion how-to-book: the new Business to Business Bell System Yellow Pages. Its features: all the businesses other businesses need.

Get the Yellow Pages talking. **Let your fingers do the walking.**

*Burke Market Research Survey of 5,000 businesses, April, 1980.

How to Soup Up a Filing System

Data bases track gifts, choirs, fish and even mops

Joe Harvey had taken precautions, but the police were too quick. Before Harvey's call-girl business in Orange County, Calif., could put its planned emergency procedures into motion, the local vice squad had seized the firm's computers and software. Recorded on 20 small Mylar discs was evidence that helped convict Harvey on two counts of pimping and one count of conspiracy: the names and credit card numbers of several thousand male customers, descriptions of known and suspected vice-squad members, and careful charts on more than 100 ladies of negotiable virtue, including hours worked, customers serviced and payments received.

SAL DIMARCO JR.

Marlene and Morris Cohen at Franklin Ace

Books, files and folders wind up on discs.

Harvey is one of a growing company of enthusiasts who practice personal data basing. In dens, living rooms and small offices across the country, an estimated 1 million data basers are transferring the contents of black books, file cards and shaggy-eared folders into their personal computers, cataloguing everything from the histories of race horses to inventories of electric trains, from collections of dirty jokes to lists of talking books. There are now some 130 software aids for data basing on microcomputers, among them, D.B. Master, dBase II and VisiFile. But the fastest-selling data-base program in the U.S. is the disc that Harvey used: Personal Filing System, or PFS (Software Publishing Corp.; $125).

PFS retrieves, adds, updates, prints and refiles information stored within a computer. Says Software Publishing President Fred Gibbons: "We've modeled it something like a card file." Basically, PFS and other list-making programs are souped-up electronic Rolodexes with built-in cross-reference capabilities. Having stored his trivia on an Apple IIe, Baseball Card Collector Louis Musher, 13, of New York City can call up such arcana as the names of all Montreal Expo catchers who batted .250 or better in 1980. In Sun City, Ariz., Vinton Ostrander, 76, is using his Franklin Ace computer to record the genealogy of some 3,000 relatives and will soon have instant access to 300 years of family history. One New York City editor who is to be married in May has created a data base to map out chapel seating for 100 wedding guests, table arrangements for 220 lunch guests and tabulations on no-shows. He is also keeping a record of those who give gifts and what they send. His bride insisted that he let her at least address the invitations in her own hand. Explains he: "She said I had to stop somewhere."

When the longtime secretary of the Bethel Lutheran Church in Auburn, Mass., decided to retire last year, the new minister, the Rev. Edward Voosen, was petrified. "Here was the whole institutional memory about to walk away," he says. He found salvation in a Radio Shack computer, which he now uses to keep track of the personal and familial problems of his flock. Voosen also charts the membership of his seven choirs, Sunday school, nursery school and church committees. "It's no miracle maker," he says. "But it sure makes life easier."

"A godsend" is what Golf Pro Lew Bullock calls the IBM Personal Computer that totes up members' handicaps for the Bowling Green Golf Club in Oak Ridge, N.J. "It's a lifesaver," says Bill Poland, board member of the Northlake Aquatic Club swim team in Atlanta, of the Osborne computer he carries poolside to chart practice and meet results. "What used to take twelve people and two hours now takes two people and no time at all."

Some other data basers:

▸ Commercial Fisherman Mark Morris of Juneau, Alaska, regularly records the weight and various species of his catch, areas he has fished, weather and tide conditions. Self-employed and the owner of his own boat at 19, Morris happily predicts, "In a few years, using the data I'm now collecting, I'll be better at guessing where the fish will be."

▸ The children of the Cohen family of West Chester, Pa., operate a computerized cleaning business. Lewis and Marlene, both 25, Natalie, 23, and Morris, 15, keep watch over clients' names, schedules and creditworthiness, plus the quirks and odd needs of customers. They also inventory brooms, mops and paper towels.

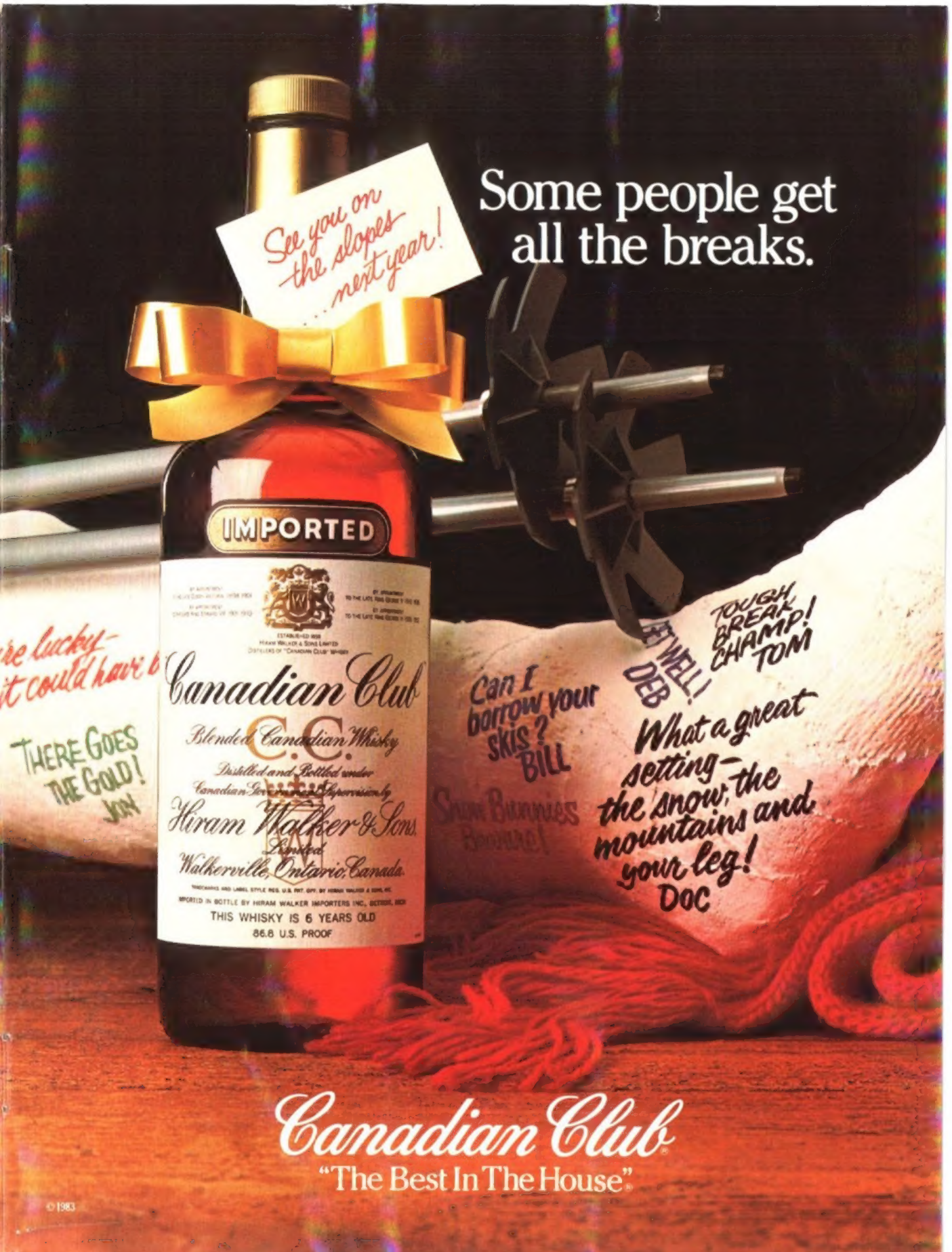
▸ Chicago Alderman Lawrence Bloom keeps a list of 6,000 voters on a computer. "It's very personalized," he says. "Precinct workers can call someone and say, 'Alderman Bloom helped you get rid of that abandoned car. Now he needs your help.' "

Not all personal data basing, however, makes good sense. Two of the most widely touted applications, balancing checking accounts and filing kitchen recipes, are better done with pencil and paper than on screen. Checkbooks can be carried in a pocket and filled out on the spot. For recipes, one good cookbook holds more data than eight floppy discs and can be thumbed with wet or sticky hands. Mastering data-base software can also be a taxing task, especially for the neophyte. Most data-base programs are marketed for business use; they come with powerful features and inch-thick manuals. Even with the simplest software, designing an efficient data base for an odd personal need is an art that often requires hours of trial and error. Advises PFS's Gibbons: "You have to ask yourself, 'How many times am I going to access this information and in how many ways?' " Gibbons still keeps his own business contacts in a card file. ***—By Philip Faflick. Reported by Robert Buderi/San Francisco and Bruce van Voorst/New York***

LISS—GAMMA/LIAISON

The Rev. Edward Voosen and keyboard

For one golf pro, it looked like a godsend.


Some people get all the breaks.
See you on the slopes ... next year!
IMPORTED
Canadian Club
Blended Canadian Whisky
C.C.
Distilled and Bottled under Canadian Government Supervision by
Hiram Walker & Sons Limited
Walkerville, Ontario, Canada
IMPORTED IN BOTTLE BY HIRAM WALKER IMPORTERS INC., DETROIT, MICH
THIS WHISKY IS 6 YEARS OLD
86.8 U.S. PROOF
re lucky- t could have b
THERE GOES THE GOLD! JON
Can I borrow your SKIS? BILL
GET WELL! DEB
TOUGH BREAK CHAMP! TOM
What a great setting— the snow, the mountains and your leg! Doc
Canadian Club
"The Best In The House"
©1983

© 1983 Toyota Motor Sales, U.S.A., Inc.

This car does not have a fireplace. BUT. It does have living room. Elbow room. Head room. Toe room.

Family room!

It's for families of five. For families who are a cut above average. For families who like to spread out. There's more feet for your feet. Adjustable seats for your seats. More living room for your family. And a tough, new, responsive, electronically fuel-injected 2 liter SOHC engine that gives great gas mileage (44 Estimated Highway MPG, (32) EPA Estimated MPG).* That beats the mileage of any import compact today.

But that's not all Camry offers. There's front-wheel drive traction. An impressive, new, electronically controlled 4-speed automatic overdrive that lets you set the pace — "Normal" for most everyday driving conditions; "Economy" for improved fuel efficiency; "Power" for added performance. There's variable assist power rack and pinion steering, cruise control, power windows, power door locks. Two glove compartments — Yours and Theirs.

OH WHAT A FEELING!

TOYOTA

The Toyota Camry. Whether you buy the 4-Door Sedan or the 5-Door Liftback, it's not just the family car. It's The Family Camry.

* Camry Deluxe 5-speed. Remember: Compare this estimate to the EPA "Estimated MPG" of other cars with manual transmission. You may get different mileage, depending on how fast you drive, weather conditions and trip length. Actual highway mileage will probably be less than the "Highway Estimate."

BUCKLE UP—IT'S A GOOD FEELING!

INTRODUCING

THE FAMILY CAMRY!